

Washington, Thursday, June 30, 1938

Rules, Regulations, Orders

TITLE 7-AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

[Cotton 207]

REGULATIONS PERTAINING TO COTTON MAR-KETING QUOTAS FOR THE 1938-1939 MARKETING YEAR

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By virtue of the authority vested in the Secretary of Agriculture by Title III of the Agricultural Adjustment Act of 1938 (Public Law No. 430, 75th Congress, approved February 16, 1938). amended, I do make, prescribe, publish, and give public notice of the following regulations governing cotton marketing quotas for the 1938-1939 marketing year, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture under said Act.1

'Unless otherwise indicated, all citations herein are to sections of the Agricultural Adjustment Act of 1938, approved February 16, 1938 (Public Law No. 430, 75th Congress, 52 Stat. 31, as amended).

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Done at Washington, D. C., this 25th day of June, 1938. Witness my hand and the seal of the Department of Agricul-

[SEAL]

ture.

H. A. WALLACE. Secretary of Agriculure.

PART I. ALLOTMENTS AND YIELDS

Section 101. National baleage allotment.-The national allotment of cotton for the calendar year beginning January 1, 1938, is 10,000,000 standard bales of 500 pounds gross weight, increased by that number of standard bales of 500 pounds gross weight equal to the production in 1938 of that number of acres required to be allotted for 1938 as set forth in section 102 (c), relating to minimum State acreage allotments, and in



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section 103 (b), relating to minimum county acreage allotments. The production in 1938 of the acreage allotment referred to in section 102 (e), relating to a special fund of acreage allotments consisting of 4 percent of the State acreage allotment, and in section 102 (f), relating to minimum farm acreage allotments. shall be in addition to such national allotment. [Sec. 343 (a), (b), and (c).]

SEC. 102. State baleage allotments and State acreage allotments,-(a) Ten million standard bales of the national baleage allotment of cotton for the calendar year 1938 shall be apportioned among the several States on the basis of the average of the normal production of cotton in each State for the five years 1933 to 1937. The normal production of a State for each such year shall be (1) the quantity of cotton produced therein in such year plus (2) the normal production of the acres diverted from the production of cotton in all counties in the State under the agricultural adjustment or conservation program in such year. The normal production of the acres diverted from the production of cotton in any county in any year shall be the average yield per acre of the acres planted to cotton in such county in such year times the number of acres so diverted in such county in such year. [Sec. 344 (a).]

(b) A State acreage allotment shall be established for each State to which an allotment is made under subsection (a) of this section. The State acreage allotment shall be that number of acres equal to the result obtained by dividing the number of standard bales allotted to the State under subsection (a) of this section by the average yield per acre for the State expressed in standard bales. The average yield per acre for any State shall be determined on the basis of the average of the normal production for the State for the five years 1933 to 1937 such county shall be increased, after distributive part, hereinafter referred to

the acres diverted from the production of cotton in the State under the agricultural adjustment or conservation programs and the acres planted to cotton. [Sec. 344 (b).]

(c) Notwithstanding the foregoing provisions of this section, the State acreage allotment for any State which is less than 5,000 acres shall be increased to 5,000 acres if at least 3,500 bales of cotton were produced in such State in any of the five years 1933 to 1937. [Sec. 344 (e) (2).]

(d) An acreage not greater than two percent of the State acreage allotment shall be made available for apportionment to farms in the State on which cotton was not planted in any one of the three years 1935, 1936, and 1937. [Sec. 344 (c) (2).]

(e) In addition to the State acreage allotment, a special fund of acreage allotments equal to 4 percent of the State acreage allotment shall be established for each State for apportionment as set forth in sections 103 (c) and 104 (b), (e), and (f), [Sec. 344 (g).]

(f) There shall be available in each State for allotment to farms that number of acres, in addition to the State acreage allotment and the special fund of acreage allotments equal to 4 percent of the State acreage allotment, equal to the total amount by which farm acreage allotments in the State are increased as set forth in section 104 (h) relating to minimum farm acreage allotments. [Sec. 344 (h).]

SEC. 103. County acreage allotments.-(a) The State acreage allotment (less that part set aside under section 102 (d) for apportionment to new farms) shall be apportioned among the counties in the State on the basis of the sum of (1) the acreage therein planted to cotton during the five years 1933 to 1937 and (2), in the applicable years, the acreage therein diverted from the production of cotton under agricultural adjustment and conservation programs, with adjustments for abnormal weather conditions and trends in acreage during such fiveyear period. [Sec. 344 (c) (1).]

(b) The acreage allotment for each county to which an allotment is apportioned under subsection (a) of this section shall be increased by the number of acres, if any, required to provide an acreage allotment for each such county of not less than 60 percent of the sum of (1) the acreage therein planted to cotton in 1937 and (2) the acreage therein diverted from the production of cotton in 1937 under the agricultural conservation program. The acreage so diverted shall be estimated in case data are not available at the time of making such allotment of additional acreage. [Sec. 344 (e) (1).]

(c) If the acreage allotment for any county is inadequate and not representative in view of the past production of cotton therein, the acreage allotment for

and the average, for the same period, of | considering the increases set forth in section 104 (b) and (e), from any acreage remaining in the special fund of acreage allotments referred to in section 102 (e) after the allotments set forth in section 104 (b) and (e) have been made out of such fund. The apportionment under this subsection shall be made first to that county in which there is the highest relative disparity between the county acreage allotment established in accordance with subsections (a) and (b) and a county acreage allotment which is adequate and representative in view of the past production of cotton in such county; and thereafter such county and in turn other counties in which there is a disparity, but to a smaller degree, shall participate in the apportionment of such remainder of the special fund as is available until existing relative disparities have been reduced to a minimum, which shall be the same for all such counties in the State, or have been extinguished. [Sec. 344 (g) (2).]

(d) If in any county there are one or more areas which, because of difference in types, kinds, and productivity of the soil or other conditions, should be treated separately in order to prevent discrimination, each such area shall be designated by the county committee and the county acreage allotment, including the allotment, if any, made to such county as set forth in subsection (c), shall be apportioned among such areas (1) on the basis of the acreage in each such area planted to cotton in 1937 plus the acreage therein diverted from the production of cotton in 1937 under the agricultural conservation program, or (2) if conditions affecting the acreage planted to cotton were not reasonably uniform throughout the county in 1937, on the basis of the cotton base acreage in each such area which was or could have been established in 1937 under the agricultural conservation program. 344 (f).]

Sec. 104. Apportionment of acreage allotments among established farms.-(a) The county committee, with the assistance of other local committees established in the county, shall apportion, in the manner set forth in this section, acreage allotments among all farms in the county on which cotton was planted in any one of the three years 1935 to 1937. The acreage allotments to be apportioned among such farms shall consist of (1) the regular county acreage allotment, consisting of an apportion-ment of the State acreage allotment made to the county, with such increase in the county acreage allotment as is necessary to provide for the county a minimum acreage allotment of not less than 60 percent of the planted plus diverted cotton acreage in the county in 1937, and (2) a distributive part, applicable to the county, of the special fund of acreage allotments consisting of that amount which is equal to 4 percent of the State acreage allotment. This insofar as the amount thereof will permit, and in the following order: (a) in supplying any deficiency in the regular county acreage allotment for the making of initial acreage allotments not exceeding five acres for each such farm; (b) in supplementing any acreage allotment made to any farm out of the regular county acreage allotment which, in consequence of the making of such initial acreage allotments, is inadequate and unrepresentative, and (c) in supplementing the regular acreage allotment made to the county which, in view of the past production of cotton in the county, is inadequate and unrepresentative. The committee shall not establish any farm acreage allotment which is not covered by the allotments mentioned above, except that after but not before the apportionment among farms of all the allotments mentioned above in this subsection an additional farm acreage allotment shall be made, as set forth in subsection (h), to any farm in respect to which the acreage allotment otherwise made is less than the minimum acreage allotment set forth in said subsection. The term "planted plus di-verted cotton acreage", as used in this section, shall be taken to mean the sum of the acreage planted in cotton and the acreage diverted from cotton production under agricultural adjustment or conservation programs. [Sec. 344 (d), (e), (f), (g), (h).]

(b) The regular county acreage allotment shall be first apportioned among such farms, and in making such apportionment there shall be first established for each such farm an initial acreage allotment equal to the highest planted plus diverted cotton acreage on the farm in any one of said three years, provided that no initial allotment shall exceed five acres for any such farm. These allotments shall be known as initial allotments and are referred to accordingly in this section. Any deficiency in the amount of the regular county acreage allotment for the making of such initial allotments shall be supplied by the use of the special fund of acreage allotments, insofar as said fund will permit. [Sec. 344 (d) (1).]

(c) In the event that the regular county acreage allotment is more than sufficient to make the initial allotments, there shall be set aside, for increase of allotments to small farms, as set forth in subsection (g), an amount of not more than 3 percent of that amount of the regular county acreage allotment which remains after making the initial allotments. [Sec. 344 (d) (2).]

(d) The remainder of the regular county acreage allotment shall be apportioned among all farms on which the highest planted plus diverted cotton acreage in any one of said three years was more than five acres. The acreage thus to be apportioned to each such farm shall, together with the initial allotment made to the farm, be a percentage (Sec. 344 (d) (3), Sec. 344 (h).)

as the "special fund," is to be applied, insofar as the amount thereof will permit, and in the following order: (a) in supplying any deficiency in the regular county acreage allotments not exceeding five acres for each such farm: (b) in supplementing any acreage allotment made to any farm out of the regular county acreage allotment made to any farm out of the regular county acreage allotment which, in (which shall be the same percentage for all farms in the county or administrative area within the county of the acreage on the farm in 1937 which is tilled annually or in regular rotation, excluding therefore the acreage don't have a county or administrative area within the county or in regular rotation, excluding therefore the acreage allotments not exceeding five acrease allotments not exceed five acrease allotments not exceeding five acrease allotments not exceed five acrease allotments not exceed five acrease allot

(e) If, as a result of the making of initial allotments, the farm acreage allotments for farms made in accordance with subsection (d) are substantially smaller than the farm acreage allotments which would have been made without regard to any provision for the making of initial allotments, the farm acreage allotments to such farms shall be increased to the acreage which would have resulted in the absence of any provision for the making of initial allotments, insofar as any portion of the special fund of acreage allotments not used in the making of initial allotments will permit. [Sec. 344 (g) (2).]

(f) The additional acreage allotment, if any, received by the county, consisting of that part of the special fund of acreage allotments not used in, or in consequence of, the making of initial acreage allotments as aforesaid, shall be apportioned, in accordance with the provisions of subsection (d), among farms receiving allotments under said subsection. (Sec. 344 (g) (3).)

(g) Any farm acreage allotment made as aforesaid of more than five acres, but not exceeding 15 acres, may be increased from the reserve of not more than 3 percent of the county acreage allotment mentioned in subsection (c). In making such increase due consideration shall be given to, and such allotments shall be made on the basis of, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other facilities affecting the production of cotton. [Sec. 344 (d) (2).]

(h) Notwithstanding any other provision of this section, (1) the farm acreage allotment made to any farm shall not exceed the highest planted plus diverted cotton acreage in any one of said three years, and (2) any farm acreage allotment which after but not before the apportionment of all acreage allotments, as provided in the foregoing subsections of this section, is less than 50 percent of the planted plus diverted cotton acreage on the farm in 1937, shall be increased to such amount, provided that such increase shall not be so made as to raise the cotton acreage of the farm above 40 percent of the acreage on the farm which, as determined in accordance with applicable instructions, is tilled annually or in regular rotation. The acreage allotments required to effect this minimum provision shall be in addition to all acreage allotments represented by the regular county acreage allotment and

(i) After making the allotments under this section, any part of the acreage allotted to individual farms which it is determined, in accordance with applicable instructions, will not be planted to cotton in 1938, shall be deducted from the allotments to such farms and may be apportioned in accordance with applicable instructions, preference being given to farms in the same county receiving allotments which are inadequate and not representative in view of the past production of cotton and the acreage diverted from the production of cotton on such farms under the agricultural conservation program in 1937. Any transfer of allotments for 1938 as set forth in this subsection shall not affect apportionment for any subsequent year. The allotment for any farm shall not be increased under this subsection to an acreage greater than the highest planted plus diverted cotton acreage on the farm in any one of the three years 1935 to 1937, nor to an acreage greater than 40 percent of the acreage on such farm which is tilled annually or in regular rotation. [Sec. 344 (h).]

Sec. 105. Apportionment of acreage allotments among new farms.-The county committee, with the assistance of other local committees, shall, in accordance with applicable instructions, apportion among farms on which cotton was not planted in any one of the three years 1935 to 1937 and on which cotton is planted in 1938 the distributive part, applicable to the county, of acreage allotments which constitute a reserve of not more than 2 percent of the State acreage allotment. The basis of the apportionment shall be the land, labor, and equipment available on the farm for the production of cotton, crop rotation practices thereon, and the soil and other physical facilities affecting the production of cotton thereon. [Sec. 344 (c) (2).1

SEC. 106. Normal yields.—(a) The county committee, with the assistance of the other local committees established in the county, shall determine the normal yield per acre of lint cotton for each farm for which a farm acreage allotment is established.

(b) Where reliable records of the actual average yield of lint cotton per acre for all of the five years 1933 to 1937 are presented by the farmer or are available to the committee, the normal yield per acre of lint cotton for the farm shall be the average of such yields adjusted, in accordance with applicable instructions, for abnormal weather conditions.

(c) If for any year of the five-year period 1933 to 1937 (1) records of the actual average yield are not available, or (2) there was no actual yield because cotton was not planted in such year, the normal yield per acre of lint cotton for the farm shall be appraised by the county committee, taking into consideration the normal yield for the county, the yield in the years for which data are available, and the rainfall, tempera-

ture, and other weather conditions during the years for which data are available as compared with those for which data are not available, provided the appraised yield so obtained shall be adjusted in accordance with subsection (d) of this section.

(d) The yields determined under subsection (c) of this section shall be adjusted so that the average of the normal yields per acre of lint cotton determined for all farms in the county or local administrative area therein (weighted by the cotton acreage allotments established for such farms) shall conform to the county normal yield per acre of lint cotton established for 1938 by the Secretary of Agriculture, [Sec. 301 (b) (13) (B)

Sec. 107. Applicability of detailed instructions.-The provisions of Part I hereof shall be carried out in detail in accordance with the provisions of Part I, "Determining 1938 Farm Cotton Acreage Allotments and Yields", of the following instructions applicable to the regions indicated below:

Southern Region.-Cotton 208-SR. "Instructions pertaining to cotton marketing quotas for 1938."

East Central Region.—Cotton 208-ECR, "Instructions pertaining to cotton marketing quotas for 1938."

Western Region .- Cotton 208-WR. "Instructions pertaining to cotton marketing quotas for 1938."

North Central Region.-Cotton 208-NCR. "Instructions pertaining to cotton marketing quotas for 1938."

PART II. FARM MARKETING QUOTAS

SECTION 201. Amount of farm marketing quota,-(a) The farm marketing quota for any farm for 1938 shall be that number of pounds of lint cotton equal to the sum of the following:

- 1. The amount of the normal production or the actual production, whichever is the greater, of the farm acreage allotment, and
- 2. The amount of cotton from any previous crop which the farmer has on
- (b) 1. Notwithstanding the foregoing provisions of this section, the amount of the normal production of the farm acreage allotment, plus the amount of cotton from any previous crop on hand, shall be considered to be the farm marketing quota for any farm on which the acreage planted to cotton in 1938 is in excess of the farm acreage allotment for the farm, unless and until it is determined by the county committee that the actual production of the farm acreage allotment for such farm, as shown by the reports of cotton ginned from the farm or other satisfactory evidence, is in excess of the normal production of the farm acreage allotment.
- 2. If and when the actual production for 1938 of the farm acreage allotment for any such farm, as shown by the re-

the county committee to be in excess of the normal production of the farm acreage allotment, it shall adjust said farm marketing quota for the farm upward by that amount by which the actual production of the farm acreage allotment exceeds the normal production thereof. Such adjustment shall be made as soon as practicable after all the cotton produced on the farm in 1938 has been harvested and satisfactory records pertaining thereto have been presented or are available; however, one such adjustment with respect to any such farm may be made earlier if requested by the operator of such farm and deemed by the county committee, on the basis of the amount of cotton produced on the farm in 1938 that has been harvested at the time of the request, to be justifiable, [Sec. 346 (a).]

Sec. 202. Publication of farm acreage allotments and farm marketing quotas -(a) Immediately upon the establishment of farm acreage allotments and the determination of normal yields per acre of lint cotton for farms in a county or other local administrative area, the county committee shall prepare a list on form Cotton 210 showing the calendar year for which the farm acreage allotments are made and the marketing year for which the farm marketing quotas shown are in effect and giving for each farm for which a farm acreage allotment is established (1) the farm acreage allotment, (2) the normal yield per acre of lint cotton, (3) the farm marketing quota (for the purpose of publishing farm marketing quotas, the farm marketing quota for each farm shall be expressed in terms of the normal production of the farm acreage allotment), (4) the name of the owner or operator and the legal description or location of the farm or the name by which it is commonly known, and (5) the farm serial number.

(b) A copy of the list prepared pursuant to subsection (a) shall be permanently kept freely available for public inspection in the office of the county committee and a copy of it shall be posted for not less than thirty days in a conspicuous place in the county (or in each local administrative area in the county if the county is divided into two or more local administrative areas for the purposes of the cotton marketing quota provisions of the Act). Another copy of such list shall be furnished to the county agricultural extension agent in the county, who shall keep the list permanently available for public inspection in his office. Each such list or copy shall be plainly marked on the front page "Property of the Government of the United States-must not be removed. taken, carried away, mutilated, altered, destroyed, or concealed." [Sec. 362.]

Sec. 203. Notice of farm marketing quotas,-(a) Immediately upon the establishment of farm acreage allotments and the determination of the normal ports of cotton ginned from the farm or yield per acre of lint cotton for farms acreage allotment therefor.

other satisfactory evidence, is found by | in a county or other local administrative area, the county committee shall cause to be mailed to the operator of each farm for which such a farm acreage allotment is established a written notice on form Cotton 209 of the farm marketing quota for the farm. The notice shall contain at or near the top thereof the following statement: "To all persons who as operator, landlord, tenant, or sharecropper, are interested in the farm for which this quota is established". Notice so given shall constitute notice to all such persons. The notice shall contain the information required by section 202 to be contained in the list of farm acreage allotments and farm marketing quotas for publication, together with a brief statement that the amount of the farm marketing quota for the farm is the number of pounds of lint cotton equal to the amount of the normal production of the farm acreage allotment plus the amount, if any, of the cotton from any previous crop which the farmer has on hand and the amount, if any, by which the actual production of the farm acreage allotment exceeds the normal production thereof. The notice shall contain also on the face or back thereof a statement of the procedure whereby application for review of the quota may be made under Section 363 of the Act.

(b) A copy of each notice required pursuant to subsection (a), containing a notation thereon of the date of mailing the notice to the operator of the farm, shall be kept among the records of the county committee, and upon request a copy thereof, duly certified as true and correct, shall be furnished without charge to any person who as operator, landlord. tenant, or sharecropper is interested in the cotton produced in 1938 on the farm with respect to which the quota is established, [Sec. 362.]

SEC. 204. Apportionment of farm marketing quotas for farms planting within acreage allotments.-(a) If the acreage planted to cotton in 1938 on any farm does not exceed the farm acreage allotment for the farm, each producer shall be entitled to a share of the farm marketing quota equal to the amount of his share in the cotton produced thereon in 1938 plus the amount of cotton from any previous crop which he has on hand.

(b) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton in 1938 on one or more but not all of such farms is in excess of the farm acreage allotment therefor, and a red marketing card (form Cotton 212) is to be issued under section 403 to such producer, the county committee shall, in accordance with the procedure prescribed in section 205, determine the share of such producer in the farm marketing quota (which share is hereinafter referred to as "producer marketing quota") for such farm or farms on which the acreage planted to cotton in 1938 is not in excess of the farm keting quotas for farms planting in excess of acreage allotments.-If the acreage planted to cotton in 1938 on any farm is in excess of the farm acreage allotment for the farm, the county committee shall apportion to each producer on the farm (where there is only one producer who shares in the acreage planted to cotton in 1938 on the farm he shall receive the whole of the farm marketing quota) a share of the farm marketing quota (such share being hereinafter referred to as "producer marketing quota"), exclusive of cotton from any previous crop on hand, in accordance with the following:

1. The producer marketing quota for each producer shall first be determined. as soon as practicable after measurements with respect to the farm have been made as set forth in section 301, to be an amount of lint cotton equal to that percentage of the normal production of the farm acreage allotment for the farm which the normal production in 1938 of such producer's share of the acreage planted to cotton in 1938 on the farm is of the normal production in 1938 of the total acreage planted to cotton in 1938 on the farm. The normal production in 1938 of any such producer's share of the acreage planted to cotton in 1938 on the farm shall be the normal yield per acre of lint cotton for the farm times such number of acres.

2. If the farm marketing quota is adjusted as set forth in paragraph 2 of section 201 (b), relating to adjustments for actual production, or if the actual production of the acreage planted to cotton on the farm in 1938 is in excess of the normal production of the farm acreage allotment for the farm, the county committee shall adjust the producer marketing quota or quotas determined pursuant to paragraph 1 of this section so that the producer marketing quota for each producer shall be that amount of lint cotton equal to that percentage of the farm marketing quota as adjusted which the actual production in 1938 of such producer's share of the acreage planted to cotton in 1938 on the farm is of the actual production in 1938 of the total acreage planted to cotton in 1938 on the farm. In making adjustments in producer marketing quotas before all cotton on the farm has been harvested, the county committee shall adjust them so that the producer marketing quota for each producer shall be that amount of lint cotton equal to that percentage of the farm marketing quota as adjusted which the normal production in 1938 of such producer's share of the acreage planted to cotton in 1938 is of the normal production in 1938 of the total acreage planted to cotton in 1938 on the farm. In making adjustments under this paragraph, no producer on the farm who produces in 1938 more than the amount of the producer marketing quota previously apportioned to him shall have such producer marketing quota reduced and such part of the producer marketing ment or the actual production of the A record of the result of the measure-

1938 on the farm shall, in cases where more than one producer shares in the acreage planted to cotton in 1938 on the farm, be reapportioned to the other producer or producers on the farm.

3. If one or more of the producers on a farm complains in writing to the county committee that the apportionment of the farm marketing quota to producers as originally determined under paragraph 1 or as adjusted under paragraph 2 is not fair and equitable because of variations in productivity, the acreage planted to cotton by each producer, crop failure, or other cause and the county committee has good ground to believe that any complaint so made is well-founded, it shall review the apportionment made under paragraph 1 or paragraph 2, as the case may be, and, if it finds that such apportionment is not fair and equitable, shall reapportion the farm marketing quota among the various producers on the farm in a manner which, in view of all the facts adduced, is fair and equitable to all producers on the farm.

4. If the actual production of the acreage planted to cotton on the farm in 1938 is not in excess of the normal production of the farm acreage allotment for the farm and the county committee finds that the producer marketing quota for any producer with respect to such farm is in excess of the amount of his share in the actual production in 1938 thereon, that portion of his producer marketing quota which is in excess of his share in the actual production in 1938 on such farm shall, in cases where more than one producer shares in the acreage planted to cotton in 1938 on the farm, forthwith be treated as an undistributed part of the farm marketing quota for such farm and shall be reapportioned by the county committee, in accordance with the foregoing provisions of this section, to the producer or other producers on the farm whose production is in excess of their respective producer marketing quotas. Not more than one such reapportionment with respect to any farm shall be made during the marketing year unless the county committee determines that more than one such reapportionment is necessary to assure a fair and equitable apportionment of the farm marketing quota among the producers thereon.

5. There shall be added to and made a part of any producer marketing quota, as determined in accordance with this section or section 204 (b), the amount of cotton from any previous crop which the county committee determines, in accordance with applicable instructions, that the producer has on hand at the time of the determination.

6. The producer marketing quota or the sum of all the producer marketing quotas with respect to any farm shall not exceed the sum of (1) the normal production of the farm acreage allot-

SEC. 205. Apportionment of farm mar- quota of any producer on the farm as is farm acreage allotment, as provided for eting quotas for farms planting in excess of his actual production in in section 201 (b), and (2) the amount of cotton from any previous crop which the producer or producers on the farm have on hand.

Sec. 206. Successors in interest.-Any person who succeeds to the interest of a producer in a farm or in a cotton crop or cotton with respect to which a farm marketing quota has been established shall, to the same extent as his predecessor, be entitled to all the rights and privileges incident to such marketing quota and be subject to the restrictions on the marketing of cotton.

Sec. 207. Transfer of farm marketing quotas .- A farm marketing quota is established with respect to a farm and may not be assigned or otherwise transferred in whole or in part to any other farm. A producer marketing quota may not be assigned or otherwise transferred in whole or in part, except that it may be reapportioned among producers on a farm as set forth in these regulations.

SEC. 208. Review of quotas.-(a) Any producer who is dissatisfied with the farm marketing quota established for his farm may, by making application within 15 days after the mailing to him of the notice provided for in section 203, have such quota reviewed by a local review committee composed of three farmers appointed by the Secretary of Agriculture. Unless such application is made within such 15 days the original determination of the farm marketing quota shall be final. All applications for review shall be made in accordance with regulations issued by the Secretary of Agriculture. [Sec. 363 and 364.]

(b) If the producer is dissatisfied with the determination of the review committee he may, within 15 days after notice thereof is mailed to him by registered mail, file a bill in equity against the review committee to have the determination of the review committee reviewed by a court in accordance with Section 365 of the Act. [Sec. 365.]

Sec. 209. Marketing quotas in effect .-Marketing quotas shall be in effect during the marketing year with respect to the marketing of cotton. Cotton produced in the calendar year 1938 shall be subject to the quotas in effect notwithstanding that it may be marketed prior to August 1, 1938. [Sec. 345.]

PART III. MEASUREMENT OF FARMS

Section 301. Provision for measuring farms.-The county committee shall provide for measuring each farm in the county for which a farm acreage allotment was established for the purpose of ascertaining whether the acreage planted thereon to cotton in 1938 is in excess of the farm acreage allotment therefor. The measuring of any farm shall be done in accordance with the established procedure used by the Agricultural Adjustment Administration. [Sec. 374.]

SEC. 302. Report of measurements .--

301 shall be kept by the county committee. In the case of farms on which the acreage planted in cotton in 1938 is in excess of the farm acreage allotment, the county committee shall file promptly with the State committee a written report on form Cotton 218 stating for each such farm (1) the farm serial number, (2) the name of the operator, (3) the total acreage in cultivation in 1938, (4) the farm acreage allotment, (5) the acreage planted to cotton in 1938, and (6) the name of each person having an interest in the cotton crop produced thereon in 1938 or in the proceeds thereof. [Sec. 374.1

PART IV. MARKETING CARDS, MARKETING CERTIFICATES, AND IDENTIFICATION OF COTTON

Section 401. Issuing marketing cards for farms planting withing acreage allotments.-(a) As soon as practicable after it has been determined as set forth in section 301 that the acreage planted to cotton on any farm in 1938 does not exceed the farm acreage allotment for the farm, the county committee shall, ex-cept as provided for in subsection (b). issue a white marketing card (form Cotton 211) to the operator and, unless the county committee finds that it will not serve a useful purpose, to other producers on the farm, as evidence that such operator and all other producers on the farm may market without penalty all cotton produced on such farm in 1938 and the amount of cotton from any previous crop which they have on hand. Such marketing card shall show (1) the name and address of the operator, (2) the State and county code number and serial number of the farm, (3) the signature of a number of the county committee signing for the county committee, and (4) the countersignature of the operator or other producer to whom the card is issued, or his duly authorized agent.

- (b) A marketing card shall not be issued under this section to any operator or producer who is engaged in the production of cotton on more than one farm in a county if the acreage planted to cotton on any of such farms in 1938 is in excess of the farm acreage allotment therefor.
- (c) If the county committee finds that cotton from seed of a pure strain of Sea Island or American-Egyptian cotton that normally produces a staple of 11/2 inches or more in length in districts where it is commonly grown is the only cotton being produced in 1938 on a farm located in a district where such cotton is commonly grown and determines as provided for in paragraph 5 of section 205 that the producer of such cotton has on hand any cotton that was produced in a prior year, the county committee shall issue him a white marketing card (form Cotton 211) as evidence that such producer is entitled to market without penalty all cotton from any previous crop

ments made as provided for in section which he has on hand. A marketing previous crop which he or they, as the card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on a marketing card issued under subsection (a), except that the expression "carry-over" shall be endorsed in bold characters across its face.

> (d) In any case where a white marketing card (form Cotton 211) has been issued to a producer, the county committee may furnish such producer a form of certificate, form Cotton 211-A. to be used by such producer only in the marketing of cotton by telephone, telegraph, or mail or by any means or method other than directly to and in the presence of a buyer or transferee as evidence of the fact that the county committee has issued to such producer a white marketing card (form Cotton 211).

Sec. 402. Issuing marketing cards for farms planting in excess of acreage allotments.-(a) As soon as practicable after it has been determined as set forth in section 301 that the acreage planted to cotton on any farm in 1938 exceeds the farm acreage allotment for the farm, the county committee shall (except as otherwise provided for in subsection (b) of this section) issue a red marketing card (form Cotton 212) to each producer on the farm as evidence that the producer to whom the card is issued is entitled to market without penalty the amount of the cotton entered on such card, provided such cotton is produced by or for him on such farm in 1938 or is cotton from any previous crop which he has on hand. Such marketing card shall show (1) the name and address of the operator, (2) the State and county code number and serial number of the farm, (3) the signature of a member of the county committee signing for the county committee, (4) the countersignature of the operator or other producer to whom the card is issued, or his duly authorized agent, and (5) the amount of the producer marketing quota for the producer determined as provided for in section 205 or the amount of the farm marketing quota if the card is issued to the operator as provided for in subsection (b). The farm marketing quota or the total of all producer marketing quotas with respect to any farm as evidenced by a marketing card, or marketing cards, issued under this subsection or subsection (b), as the case may be, shall not be greater than the normal production of the farm acreage allotment for the farm plus the amount of cotton from any previous crop which the producer or producers on the farm have on hand. In entering the amount of the producer marketing quota or the farm marketing quota, as the case may be, on a red marketing card (form Cotton 212) there shall be entered, in addition to that portion of the farm marketing quota or producer marketing quota to which the producer or producers to or for whom the card is issued are entitled with respect to the 1938 cotton crop, the amount of cotton from any ment for the farm or has made an esti-

case may be, have on hand, determined as provided for in paragraph 5 of section 205, less the amount of any such cotton which is pledged as security for a Commodity Credit Corporation loan. If such a producer desires to market any such cotton so pledged, the county committee shall, upon his request, issue to him a red marketing card (form Cotton 212) for the amount of such cotton which he desires to market.

- (b) In cases where more than one producer shares in the acreage planted to cotton in 1938 on a farm, if all producers on the farm agree in writing, on form Cotton 212A, a red marketing card (form Cotton 212) showing the entire farm marketing quota for the farm shall be issued to the operator, but the operator shall nevertheless make available to each producer on the farm the amount of the producer marketing quota to which each such producer is entitled under section 205. Such operator shall report to the county committee, as provided for in section 603 (b), the distribution of the farm marketing quota among the producers on the farm.
- (c) The county committee shall issue a red marketing card (form Cotton 212) to each producer on the farm for his proportionate share, if any, determined as provided for in paragraph 2 of section 205, of any increase, or a red marketing card (form Cotton 212) for the entire amount of any increase shall be issued to the operator as provided for in subsection (b), as evidence that such producer or producers may market without penalty the amount of any cotton produced by or for him or them on such farm in 1938 entered on such card or cards. A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on the marketing card originally issued to the producer, except that the letters "XX" shall be placed before the State and county code number preceding the serial number of the farm, and the information shown with respect to the amount of the farm marketing quota shall be only the amount of the increase in the farm marketing quota for the farm if the card is issued to the operator under subsection (b), or the amount of the producer's share in the increase in the farm marketing quota for the farm if a card is issued to each producer on the farm. The farm marketing quota or the total of all producer marketing quotas with respect to any farm as evidenced by marketing cards issued shall not be greater than the amount of the farm marketing quota for the farm determined as provided for in section 201 (b).
- (d) If the county committee has made an estimate that the actual production of the acreage planted to cotton in 1938 on the farm will not exceed the normal production of the farm acreage allot-

duced on a farm in 1938 in excess of the farm marketing quota for the farm and the payment of the estimated penalty with respect to the marketing of such cotton has been secured, as provided for in section 507, it may issue a white marketing card (form Cotton 211) to the operator of such farm and, unless the county committee finds that it will not serve a useful purpose, to other producers on the farm as evidence that such operator and other producers on the farm may market all cotton produced on the farm in 1938 and cotton from any previous crop which they have on hand without paying the penalty at the time of marketing. A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on a marketing card issued under section 401 (a), except that the words "Penalty Secured" shall be endorsed in bold characters across its face. The county committee shall not issue a white marketing card (form Cotton 211) under this subsection if the estimated penalty is to be secured by funds tendered in the form of a check, draft, or money order unless and until the treasurer of the county committee notifies such committee that such check, draft, or money order has been collected and the proceeds thereof are held in the special deposit account provided for in section 510, nor shall such committee issue a marketing card under this subsection to a producer or producers to whom a marketing card or cards has or have been previously issued until such card or cards previously issued has or have been returned to and canceled by such committee by endorsing thereon in bold letters the notation "Canceled—Sec. 402 (d)". Any marketing card issued under this subsection shall be issued upon condition that any producer to or for whom it is issued shall nevertheless be subject to the penalty referred to in section 501 with respect to the marketing of cotton in excess of the farm marketing quota for the farm.

(e) The county committee may, upon request, issue to any producer on a farm on which the acreage planted to cotton in 1932 exceeds the farm acreage allotment for such farm a white marketing card (form Cotton 211) as evidence of the fact that, notwithstanding the amount of the marketing quota for the farm, there may be marketed, without regard to the manner prescribed in Part V for the payment, collection, and remittance of penalties, the entire amount of the cotton produced on the farm in 1938 plus the amount of cotton from any previous crop which the producers on such farm have on hand, if the county committee finds (1) that the actual production on the entire farm in 1938 does not exceed one thousand pounds of lint cotton or (2) that the estimated production on the entire farm in 1938 does not exceed one thousand pounds of lint cotton and (3) | cates.—(a) If the county committee finds | ginners and buyers in such county.

mate of the amount of cotton to be pro- | that any marketing card or cards pre- | that cotton from seed of a pure strain of have been returned to and canceled by such committee by endorsing thereon in bold letters the notation "Canceled-Sec. 402 (e)". A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on a marketing card issued under section 401 (a), except that the words "One Thousand Pounds" shall be endorsed in bold characters across its face. Any marketing card issued under this subsection shall be issued upon condition that any producer to or for whom it is issued shall nevertheless be subject to the penalty referred to in section 501 with respect to the marketing of cotton in excess of the farm marketing quota for the farm if the total production in 1938 of the farm exceeds one thousand pounds of lint cotton.

Sec. 403. Issuing marketing cards for multiple farms .- (a) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton on each of such farms does not exceed the farm acreage allotment therefor, separate white marketing cards (form Cotton 211) shall be issued by the county committee with respect to each of such farms in accordance with the provisions of section 401.

(b) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton in 1938 on each of such farms is in excess of the farm acreage allotment therefor, separate red marketing cards (form Cotton 212) shall be issued by the county committee with respect to each of such farms in accordance with the provisions of section 402.

(c) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton in 1938 on one or more but not all of such farms is in excess of the farm acreage allotment therefor and a marketing card is issued to such producer by the county committee with respect to any such farm on which the acreage planted to cotton in 1938 does not exceed the farm acreage allotment therefor, a red marketing card (form Cotton 212) shall be issued to such producer by the county committee in accordance with the provisions of section 402 for the amount of the producer marketing quota apportioned to such producer with respect to each such farm as provided for in section 204 (b). In case a red marketing card (form Cotton 212) is so issued, the county committee shall nevertheless issue a white marketing card (form Cotton 211) under section 401 (a) to or for all other producers on each such farm on which the acreage planted to cotton in 1938 does not exceed the farm acreage allotment therefor.

Sec. 404. Issuing marketing certifi-

viously issued with respect to such farm Sea Island or American-Egyptian cotton that normally produces a staple of 11/2 inches or more in length in districts where it is commonly grown is being produced in 1938 on a farm in such a district, it shall issue a "Sea Island or American-Egyptian Cotton Marketing Certificate" on form Cotton 214 to each producer of such cotton as evidence that such producer is entitled to market without penalty all such cotton.

(b) Upon request of a responsible executive officer of any publicly-owned agricultural experiment station, the State committee shall issue to such experiment station, with respect to cotton which is grown solely for experimental purposes, a certificate, signed by the chairman or the secretary of such committee, evidencing the fact that the marketing of such cotton, as provided for in section 372 (d) of the Act, is not subject to the penalty. Such request shall be made in writing and shall show: (1) the name and address of the experiment station, (2) the location of the land on which such cotton was or is being produced, and (3) the number of acres planted to cotton on such experiment station in 1938 solely for experimental purposes.

Sec. 405. Reissuing marketing cards. (a) In the event a portion or all of a producer marketing quota is reapportioned, as provided for in paragraph 2 or paragraph 4 of section 205, the county committee shall deduct the portion reapportioned from such producer marketing quota as shown on the marketing card by entering on such marketing card the amount deducted and the amount remaining of such producer marketing quota with the signature or initials of a member of the county committee signing next to the entry for the committee. Any marketing card issued to any producer shall be returned by such producer to the county committee at the time the amount of his producer marketing quota is reapportioned. In the event any producer fails or refuses, after being duly requested in writing to do so, to deliver to the county committee, within ten calendar days after the date of the request, any marketing card issued with respect to any producer marketing quota a portion or all of which has been reapportioned, the county committee shall forthwith cancel such marketing card by giving notice to such producer that such marketing card is void and of no effect by depositing written notice to such effect in the United States mails, registered and addressed to such producer at his last-known address. A copy of such notice, containing a notation thereon of the date of mailing, shall be kept among the records of the county committee. Such committee shall immediately notify the ginners and buyers in the county that the marketing card has been canceled. Such committee shall also notify the county committee of each adjoining county, which shall in turn notify the reapportioned a portion or all of a producer marketing quota, as provided for in paragraph 2 or paragraph 4 of section 205, in cases where the farm marketing quota is not increased as provided for in section 201 (b), it shall issue to each producer who has received a portion of the amount of the quota reapportioned a red marketing card (form Cotton 212) for the additional amount so reapportioned. The word "Reissue" shall be endorsed in bold characters across the face of marketing cards issued under this section and such cards shall bear evidence and show information comparable with that provided to be shown in marketing cards issued under section 402 (a).

Sec. 406. Lost, destroyed, or stolen marketing cards .- (a) In case any marketing card issued to a producer is lost, destroyed, or stolen, any person having knowledge of such loss, destruction, or theft, shall, insofar as he be able, immediately notify the county committee of (1) the name of the operator of the farm with respect to which such marketing card was issued, (2) the name of the producer to whom the marketing card was issued, if someone other than the operator, (3) the serial number of the marketing card, (4) the color of the marketing card, and (5) whether in his judgment it was lost, destroyed, or stolen and by whom.

(b) The county committee shall make or cause to be made a thorough investigation of the circumstances of such loss destruction, or theft. If, after such investigation, the county committee finds that such marketing card was in fact lost, destroyed, or stolen, it shall cancel such card by giving notice to the producer to whom the card was issued that such card is void and of no effect by depositing a written notice to that effect in the United States mail, addressed to such producer at his last-known address, and if it also finds that there has been no collusion or connivance in connection therewith on the part of the producer to or for whom it was issued, it shall issue to or for such producer a duplicate marketing card of the same color and bearing the same name, information, and identification as the lost, destroyed, or stolen marketing card. However, if the card lost, destroyed, or stolen was a red marketing card (form Cotton 212), such committee shall, after determining the amount of cotton marketed without penalty by or for the producer or producers to or for whom the card was issued, enter on the duplicate card issued, in addition to the amount of the farm marketing quota or the producer marketing quota, as the case may be, entered on the lost, destroyed, or stolen card, a deduction for the amount of the cotton which it determines has been so marketed without penalty. Each marketing card issued under this section shall bear across its face in bold char-

shall immediately notify the ginners and buyers in the county that the marketing card has been canceled and a duplicate has been issued. Such committee shall also notify the county committee of each adjoining county, which shall in turn notify the ginners and buyers in its county. Any ginner or buyer or any other person coming into possession of a canceled marketing card shall immediately return it to the county committee which issued it.

Sec. 407. Color of marketing cards. The color of marketing cards (form Cotton 211) issued as provided for in sections 401, 402 (d), 402 (e), and 403 (a) shall be white and the color of marketing cards (form Cotton 212) issued as provided for in sections 402 (a), 402 (b), 402 (c), 403 (b), 403 (c), and 405 shall be red.

Sec. 408. Identification of cotton.-(a) Each buyer or transferee who buys or receives cotton during the marketing year, or prior to the beginning of the marketing year if the cotton was produced in the calendar year 1938, shall, unless it is identified by the producer as provided in these regulations, deem it to be subject to the penalty provided for in section 348 of the Act.

- (b) A white marketing card (form Cotton 211), issued under sections 401, 402 (d), 402 (e), 403 (a), or 406, shall be used to identify cotton with respect to which it was issued as-
- (1) Cotton which is not subject to the penalty provided for in section 348 of the
- (2) Cotton with respect to the marketing of which it has been estimated that the penalty will not be due or with respect to which a bond has been executed or money has been placed in escrow as provided for in section 507;
- (3) Cotton with respect to the marketing of which the penalty, if any, will not be paid until it is determined whether the total production in 1938 of lint cotton on the farm on which it was produced exceeds 1,000 pounds.

If such cotton marketed directly to and in the presence of the buyer or transferee, the producer shall identify the cotton by showing his marketing card to the buyer or transferee. If the marketing of such cotton is effected by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by delivering to the buyer or transferee a certificate properly executed in duplicate on form Cotton 211-A as evidence that the county committee has issued a white marketing card (form Cotton 211) to such producer.

(c) A red marketing card (form Cotton 212), issued under sections 402 (a), 402 (b), 402 (c), 403 (b), 403 (c), 405, or 406, accompanied by an applicable cer-

(b) After the county committee has marketing card is canceled as provided form Cotton 213 shall be used to identify for in this section the county committee cotton with respect to which it was issued

- (1) Cotton, the marketing of which is not subject to the penalty provided for in section 348 of the Act, if the total amounts of lint cotton entered on form Cotton 213, as provided for in part VI, as having been marketed under such card plus the amount of lint cotton being marketed, is not greater than the farm marketing quota or producer marketing quota, as the case may be, shown on such
- (2) Cotton, the marketing of which is subject to the penalty provided for in section 348 of the Act, if the total amounts of lint cotton entered on forms Cotton 213, as provided for in part VI, as having been marketed under such card, is equal to or greater than the farm marketing quota or producer marketing quota, as the case may be, shown on such card;
- (3) Cotton, the marketing of that amount of which is subject to the penalty provided for in section 348 of the Act, if the amount being marketed, together with the total amount of lint cotton, if any, entered on forms Cotton 213, as provided for in part VI, as having been marketed under such card, is in excess of the farm marketing quota or producer marketing quota, as the case may be, shown on such card.

If such cotton is marketed directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by showing his marketing card and by delivering to the buyer or transferee an applicable certified statement properly executed on form Cotton 213. If the marketing of such cotton is effected by telephone, telegraph, or mail, or any means or method other than directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by delivering to the buyer or transferee an applicable certified statement properly executed on form Cotton 213.

(d) A certificate issued on form Cotton 214 (Sea Island or American-Egyptian Cotton Marketing Certificate), as provided for in section 404, shall be used to identify cotton with respect to which it is issued as cotton the staple of which is 11/2 inches or more in length and the marketing of which is not subject to the penalty provided for in section 348 of the Act. If such cotton is marketed directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by showing his marketing certificate (form Cotton 214) to the buyer or transferee. If the marketing of such cotton is effected by telephone, telegraph, or mail, or by any means or method other than directly to or in the presence of the buyer or transferee, the producer shall deliver to the buyer or transferee a certificate in duplicate on form Cotton 211-A properly acters the word "Duplicate". In case a tified statement properly executed on executed as evidence that the county

committee has issued a certificate on further that such cotton is being proform Cotton 214 to such producer.

(e) A certificate issued with respect to publicly-owned agricultural experiment stations, as provided for in section 404 (b), shall be presented by the producer to the buyer or transferee at the time the cotton is marketed, for the purpose of identifying the cotton with respect to which it is issued as cotton grown solely for experimental purposes by a publiclyowned agricultural experiment station and the marketing of which is not subject to the penalty provided for in section 348 of the Act.

(f) A certificate on form Cotton 221 by a Federally-licensed cotton classifier that the staple of cotton covered by such certificate is 11/2 inches or more in length shall, if presented by the producer to the buyer or transferee at the time of marketing, be used to identify such cotton as not subject to the penalty provided for in section 348 of the Act. [Sec. 375 (a) and (b).]

PART V. PENALTIES

Section 501. General.-Any producer who, while farm marketing quotas with respect to the marketing of cotton are in effect, markets cotton subject to such quotas in excess of the farm marketing quota for the farm on which such cotton was produced shall, as provided for in section 348 of the Act, be subject to a penalty of two cents per pound with respect to the excess so marketed (hereinafter referred to as "the penalty"). Any producer shall be presumed to have marketed cotton in excess of the farm marketing quota for the farm on which such cotton was produced if he markets cotton in excess of the amount of the farm marketing quota or the producer marketing quota to which he is entitled under the terms of these regulations as evidenced by the marketing card issued to or for him in accordance with these regulations. [Sec. 348.]

Sec. 502. Farms producing less than 1,000 pounds of lint cotton .- As provided for in section 346 (b) of the Act, the penalty shall not apply to the marketing of cotton in excess of the farm marketing quota for a farm for which a farm acreage allotment was established if the total production of lint cotton thereon in 1938 does not exceed 1,000 [Sec. 346 (b).]

SEC. 503. Long staple cotton .- (a) As provided for in section 350 of the Act, the penalty shall not apply to the marketing of cotton the staple of which is 11/2 inches or more in length. [Sec. 350.]

(b) Cotton produced from a pure strain of Sea Island or American-Egyptian cotton which normally produces a staple of 11/2 inches or more in length shall be deemed to be cotton the staple of which is 11/2 inches or more in length provided a "Sea Island or American-Egyptian Marketing Certificate", form issued under section 404 and provided the case of other penalties.

duced in a district where it is commonly grown.

(c) Any other cotton shall be deemed to be cotton the staple of which is less than 11/2 inches in length unless the producer thereof obtains a certification by a Federally-licensed cotton classifier that such cotton has a staple of 11/2 inches or more in length. Such certification shall be made in triplicate on form Cotton 221.

Sec. 504. Cotton marketed by publiclyowned agricultural experiment stations.- Except as set forth in sections 502 and 503, the penalty shall apply to any cotton grown by any publicly-owned agricultural experiment station which is not grown solely for experimental purposes. The penalty shall not apply to the marketing of any cotton grown for experimental purposes only by any publicly-owned agricultural experiment station. [Sec. 372 (d).]

Sec. 505. Payment and collection of penalties.-(a) The penalty shall be due at the time the cotton is marketed by sale, barter, or exchange. Cotton shall be deemed to be sold when either title to or actual or constructive possession of the cotton is delivered by or on behalf of the producer or any part of the purchase price is paid. Cotton shall be deemed to have been marketed by barter or exchange when it is delivered to the transferee of the cotton by actual or constructive delivery or the transferor has received any part of the property, goods, or services for which the cotton is being bartered or exchanged. The penalty with respect to the marketing of cotton by sale to any person within the United States shall be collected by the buyer at the time of sale. The penalty with respect to the marketing of cotton by barter or exchange or by sale to any person not within the United States shall be paid by the producer liable for the penalty and may be collected by the person to whom such cotton is transferred, in the case of an exchange or barter, if the producer and the transferee of such cotton agree, as evidenced by the form Cotton 213 covering the transaction, that the penalty shall be collected by the transferee as in the case of the marketing of cotton by sale to any person within the United States. The penalty, if any, due with respect to the marketing of any cotton produced on any farm with respect to which a white marketing card (form Cotton 211) is issued shall not be collected by the buyer or transferee of such cotton but shall be paid by the producer who marketed such cotton.

(b) Any producer who would be liable for the penalty upon the marketing of any cotton produced by or for him may nevertheless pay such penalty prior to the time such cotton is marketed and the treasurer of the county committee for the county in which such cotton was Cotton 214, with respect thereto has been produced shall receive the penalty as in

(c) The penalty may be collected by a buyer by deducting from the purchase price of the cotton the amount of the penalty due with respect to the marketing of such cotton.

(d) Any buyer or transferee of cotton who, as provided for in subsection (a), collects the penalty with respect to the marketing of cotton shall issue to the producer who paid the penalty a receipt. [Sec. 372.1

SEC. 506. Remittance of penalties .-(a) The penalty shall be remitted not later than thirty calendar days next succeeding the day on which the cotton was marketed by the producer. For and on behalf of the Secretary of Agriculture, the treasurer of the county committee for the county in which the farm on which the cotton was produced is located shall receive the penalty and issue to the person remitting the penalty a receipt therefor on form Cotton 219 or form Cotton 219-A.

(b) The penalty shall be remitted only in legal tender or by draft, check, or money order drawn payable to the order of the treasurer of the county committee for the county in which the farm on which the cotton was produced is located. All checks, drafts, or money orders tendered in payment of the penalty shall be received by the treasurer of the county committee subject to collection and payment at par, and any receipt issued in connection therewith as provided for in subsection (a) shall bear a notation to that effect and a description of the check, draft, or money order.

(c) The penalty collected by the buyer or transferee as provided for in section 505 shall be accompanied at the time it is remitted by a copy of the receipt issued by such buyer or transferee to the producer from whom the penalty was collected. [Sec. 372.]

SEC. 507. Penalties secured by bonds or money held in escrow.-(a) In cases where the acreage planted to cotton in 1938 on any farm is in excess of the farm acreage allotment for the farm, the county committee, upon request of the owner or operator of such farm, may estimate the amount of the penalty which may become due with respect to the marketing of cotton produced on such farm in 1938 in excess of the farm marketing quota for the farm and the penalty, if any, with respect to the marketing of such cotton may be paid as provided for in subsection (d), provided, that either (1) a good and sufficient bond of indemnity on form Cotton 215 is executed and filed with the treasurer of the county committee in an amount equal to not less than the amount of the estimated penalty for which the producers having an interest in the cotton crop produced on the farm would otherwise be liable upon the marketing of the cotton estimated to be produced in excess of the farm marketing quota or (2) an amount of money not less than the amount of such estimated penalty is county committee to be held in escrow by him to secure the payment of any penalty which might accrue, or (3) it is estimated that the penalty will not be due with respect to the marketing of cotton produced on such farm in 1938 because it is estimated that the actual production of the acreage planted to cotton in 1938 on the farm will not exceed the normal production of the farm acreage allotment for the farm.

(b) Any bond pursuant to subsection (a) shall be made on form Cotton 215 and executed as principal by the owner or operator of the farm for and on behalf of each producer having an interest in the cotton crop or proceeds thereof produced in 1938 on such farm and as sureties by two owners of real property (other than such owner or operator or producer) situated within the county and shall contain the condition that so much of the principal sum of such bond as is equal to the penalty incurred shall be forthwith paid to the Secretary of Agriculture upon proof that the penalty secured thereby or any part or amount thereof has not been paid as provided for in subsection (d). The county commit-tee shall examine the bond and, if it finds such bond to be good and sufficient and in proper form, the same shall be marked "Approved" and signed by a member of the committee acting for the committee and the bond shall be delivered to the treasurer of the county committee for safe-keeping. Any funds delivered to the treasurer of the county committee to be held by him in escrow to secure the payment of the penalty shall be only in legal tender or in the form of a check, draft, or money order drawn payable to the order of the treasurer of the county committee and shall be deposited by him in a special deposit account as provided for in section 510. The treasurer shall issue a receipt for such funds to the person who tenders them to be held in escrow. Such funds shall be received subject to payment and collection at par, and the provisions of subsection (a) shall not be operative in favor of any producer unless and until such check, draft, or money order tendered by him has been collected at par and the proceeds thereof are held in such special deposit account.

(c) In estimating the production of cotton for any farm under the terms of this section, the county committee shall take into consideration the appraised yield of the cotton crop and the number of acres planted to cotton on the farm. Such estimate shall be made after bolls are formed on the cotton plants with respect to which the estimate is made. The number of pounds of lint cotton estimated to be produced on the farm in excess of the farm marketing quota shall be the amount by which the total estimated production of lint cotton in 1938 on the farm is in excess of the normal production of the farm acreage allotment established for the farm. Any bond tion 205.

deposited with the treasurer of the or funds to be held in escrow pursuant to the foregoing provisions of this section shall be in an amount not less than the amount determined by multiplying two cents by the number of pounds so estimated to be produced in excess of the farm marketing quota.

> (d) The owner or operator of a farm who has furnished bond or placed funds in escrow or the owner or operator of a farm with respect to which it was estimated that the actual production of the acreage planted to cotton in 1938 on the farm would not exceed the normal production of the farm acreage allotment for the farm, as provided for in this section, shall file a report with the county committee, as provided in section 603 (b) for and on behalf of every producer having an interest in the cotton crop produced on such farm in 1938 or in the proceeds thereof. The report shall be in writing on form Cotton 217 and certified to be true and correct by the owner or operator, as the case may be, and shall show the amount of the penalty, if any, due with respect to the marketing of cotton in excess of the farm marketing quota for the farm. If the county committee finds such report to be true and accurate and in proper form, the same shall be marked "Approved" and signed by a member of the committee acting for the committee, and the report shall be delivered to the treasurer of the county committee. The amount of the penalty set forth in the report as approved by the county committee shall forthwith be paid to the treasurer of the county committee. If funds are held in escrow to secure payment of the penalty, the penalty shall be paid by the use of such funds or, in the event such funds are not sufficient to cover the amount of the penalty incurred, the producer or producers who incurred the penalty shall pay a sufficient additional amount. Any part of the funds held in escrow which is in excess of the amount of the penalty set forth in the report as approved by the county committee, shall be returned by the treasurer of the county committee to the owner or operator, as the case may be, against his receipt.

> (e) If a producer is engaged in the production of cotton on more than one farm in the county on which the acreage planted to cotton in 1938 is in excess of the farm acreage allotment therefor, the county committee shall not accept funds to be placed in escrow or a bond to secure payment of the penalty under the terms of this section from or on behalf of such producer for any one such farm unless such funds or bond is offered and accepted with respect to all such farms in the county on which such producer is so engaged in the production of cotton.

(f) The provisions of this section shall have no effect on the apportionment of the farm marketing quota for a farm among producers as provided for in sec-

Sec. 508. Adjustment of penalties by county committees .- (a) Any farmer who has paid the penalty or a sum of money with respect to the marketing of cotton may request the county committee to review the amount so paid to determine whether the amount thereof is in excess of that due for any one or more of the following reasons:

1. The penalty or sum of money was paid with respect to the marketing of cotton produced on a farm on which the actual production of the farm acreage allotment for the farm is greater than the amount of the farm marketing quota for the farm as expressed in terms of the normal production of the farm acreage allotment for the farm:

2. The penalty or sum of money was paid with respect to the marketing of cotton produced on a farm for which the farm marketing quota was increased by a determination of a review committee appointed by the Secretary of Agriculture or as a result of a court review of the determination of the review committee:

3. The penalty or sum of money was paid with respect to the marketing of cotton produced on a farm on which the total amount of production in 1938 on the farm did not exceed 1,000 pounds of lint cotton:

4. The penalty or sum of money was paid with respect to the marketing of cotton the staple of which is 11/2 inches or more in length:

5. The penalty or sum of money was paid with respect to the marketing of cotton grown solely for experimental purposes by a publicly-owned agricultural experiment station; or

6. The penalty or sum of money was paid through error.

(b) Any request for a review of the amount of the penalty or sum of money paid shall be made in writing and signed by the person claiming to have paid the penalty or sum in excess of that due. If the claim is made with respect to any of the matters set forth in subsection (a), the county committee and the treasurer of the county committee shall determine the total amount of the penalty due with respect to the marketing of cotton in excess of the farm marketing quota for the farm and, on the basis of the apportionment or reapportionment of the farm marketing quota for such farm among the producers having an interest in the cotton crop or proceeds thereof produced in 1938 on such farm, shall determine the total amount of the penalty paid and the total amount of the penalty incurred by the claimant and all other producers having an interest in the cotton crop produced in 1938 on such farm. If the county committee and the treasurer of the county committee find that the amount paid with respect to the farm is in excess of the total amount of the penalty incurred and that the sum paid by the claimant is in excess of the total amount of the penalty due to be paid by him, the treasurer of the county

sofar as the sum in excess of the penalty due with respect to the farm and the amounts of such excess due other producers on the farm will permit, an amount not to exceed the sum paid by the claimant in excess of that due. If the county committee and the treasurer of the county committee find that the amount paid with respect to the farm is not in excess of the total amount of the penalty incurred, or that, if the amount paid with respect to the farm is in excess of the total amount of the penalty incurred, the amounts of such excess due other producers on the farm equals the total amount of such excess, the claim shall be disallowed and the claimant so notified in writing. Any determination made by the county committee and the treasurer of the county committee under the terms of this section shall not prejudice the right of any other person who has paid the penalty or a sum of money and who has an interest in the cotton crop produced on the farm with respect to which the determination was made to request the county committee and treasurer of the county committee to review the amount of the penalty or sum of money paid by him nor shall such determination prejudice the right of a claimant to file a claim with the Secretary of Agriculture in accordance with the procedure set forth in section 511. Any determination of the county committee and treasurer of the county committee under the terms of this section shall be made in writing and signed by at least one member of such committee and such treasurer and filed with such treasurer. The county committee shall conduct any investigation or hold any hearing it deems necessary for a proper settlement of a claim made pursuant to this section.

(c) If the county committee and the treasurer of the county committee upon their own motion determine that, for any reason which, under the terms of these regulations, such committee and treasurer consider to be good and sufficient, any sum of money paid as the penalty by a producer who has not made a request for a review as provided for in subsection (a) is in excess of the amount of the penalty due by such producer, the county committee and the treasurer of the county committee shall review such sum in accordance with the procedure set forth in subsection (b) and pay to such producer the amount so determined which may be refunded to him, obtain a receipt therefor, and make and file a record of the transaction.

(d) No refund of the penalty or sum of money paid shall be allowed under this section unless the penalty or sum of money has been remitted to the treasurer of the county committee and has not been remitted by him to the Secretary of Agriculture.

SEC. 509. Remittance of penalties to the Secretary of Agriculture by treasurers of county committees.-The county placed in the special deposit account. duced, (3) the name of the producer of

county committee shall at the end of each month examine the amounts of the penalties or sums of money paid with respect to the marketing of cotton in excess of the farm marketing quota for each farm in the county. If the amounts of the penalties or sums are correct, and if no request for a review has been made, the treasurer of the county committee shall forthwith remit such penalties to the secretary of the State committee who, in accordance with applicable instructions, shall remit them to the Secretary of Agriculture (addressed for the attention of the Comptroller, Agricultural Adjustment Administration, Washington, D. C.) to be covered into the general fund of the Treasury of the United States, in accordance with existing procedure. [Sec. 372 (b).]

Sec. 510. Records and accounts of treasurers of county committees.—(a) The treasurer of each county committee or his successor in office is hereby authorized and empowered to receive for and on behalf of the Secretary of Agriculture the penalties referred to in section 501 and each such treasurer or successor in office shall give, in accordance with established procedure of the United States Department of Agriculture, a good and sufficient bond, with a corporate surety approved by the Treasury Department of the United States, for the faithful discharge of the duties required of him under these regulations.

(b) Any funds received by the Treasurer of the county committee in payment of the penalties referred to in section 501 or to secure payment of such penalties as provided in section 507 shall immediately be deposited by him in a special deposit account in a bank, designated by the county committee as the depository of such funds, which is covered by deposit insurance with the Federal Deposit Insurance Corporation. The special deposit account shall be kept by the bank as a special deposit account and designated on its records as the "Cotton Special Deposit Trust Account, County Agricultural Conservation Association, . Treasurer." The funds deposited in the special deposit account shall be kept separate and apart from funds belonging to the bank or to any other account of the county agricultural conservation association or the county committee. At no time shall the balance in any such account exceed the sum of \$5,000.00, and where necessary the county committee shall designate one or more such banks in addition to that first designated in which shall be deposited the excess sums. The treasurer of the county committee shall deliver all checks, drafts, or money orders in payment of the penalties referred to in section 501 or to secure payment of such penalties as provided for in section 507 to the bank for immediate collection. The proceeds of such checks, drafts, or money orders, when collected, shall be

committee shall pay to the claimant, in-| committee and the treasurer of the | Any funds received by the treasurer of the county committee pursuant to these regulations shall be withdrawn or disbursed only by checks drawn by him to carry out the provisions of these regulations. The Administrator shall provide for periodical reports from each treasurer as to the status of the special deposit account and for periodic examination in the office of the county committee of the records and documents in connection therewith.

(c) Whenever a treasurer of a county committee is succeeded in office, any funds received by his successor shall be deposited in a new special deposit account. The Administrator shall cause the account of the former treasurer to be audited, and no withdrawal or disbursement shall be made from the special deposit account of the former treasurer until such audit is completed. The special deposit account used by the former treasurer shall be closed by transferring the balance thereof into the account established by his successor, who shall thereupon assume charge of the records of the former treasurer. [Sec. 372 (b).]

Sec. 511. Refund of penalties .- Whenever, pursuant to a claim filed with the Secretary of Agriculture within one year after payment to him of the penalty collected from any person, the Secretary of Agriculture finds that the penalty was erroneously, illegally, or wrongfully collected he shall certify to the Secretary of the Treasury for payment to the claimant, in accordance with regulations prescribed by the Secretary of the Treasury, such amount as the Secretary of Agriculture finds the claimant is entitled to receive as a refund of all or a portion of the penalty. Any claim filed with the Secretary of Agriculture pursuant to this section shall be made in accordance with regulations to be prescribed by him. [Sec. 372 (c).]

SEC. 512. Court proceedings to collect penalties .- It shall be the duty of the county committee to report in writing to the State committee forthwith each case of failure or refusal to pay the penalty or to remit the same to the Secretary of Agriculture when collected. It shall be the duty of the State committee to report each such case forthwith in writing in triplicate to the United States Department of Agriculture with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to collect the penalties, as provided for in section 376 of the Act. [Sec. 376.]

PART VI. RECORDS AND REPORTS

SECTION 601. Records to be kept and reports to be submitted by ginners.—(a) Each ginner shall record on form Cotton 216 with respect to all cotton of the 1938 crop ginned by him (1) the date of ginning, (2) the name of the operator of the farm on which the cotton was prothe cotton, (4) the gin bale number of | 213 at the time cotton is purchased di- | is remitted as provided for in section mark, (5) the county in which the farm rectly from and in the presence of the 506 (a). on which the cotton was produced is located, (6) the gross weight of each bale, or lot of cotton if less than a bale, ginned for each producer, and (7) the serial number of the farm on which the cotton was produced.

(b) The original of the ginning record provided for in subsection (a), shall be made for each period beginning with the first day of each month and ending on the fifteenth day of such month and for each period beginning with the sixteenth day of each month and ending on the last day of such month during which any cotton from the 1938 crop is ginned by the ginner. The record shall be submitted to the treasurer of the county committee for the county in which the gin is located not later than 5 calendar days next succeeding the last day of the period covered by the report. A copy of such record shall be retained by the ginner.

(c) Any ginner failing to keep any record or make any report as required by this section or making any false report or false record shall, as provided for in section 373 (a) of the Act, be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500.00. [Sec. 373 (a).]

SEC. 602. Records to be kept and reports to be submitted by buyers.—(a) Each buyer shall keep records and make reports with respect to each transaction in which he purchases cotton during the marketing year, or prior to the beginning of the marketing year if the cotton was produced in the calendar year 1938,

- 1. If the cotton is identified to him or his agent by the use of a white marketing card (form Cotton 211), as provided for in section 408 (b), or by the use of form Cotton 214, as provided for in section 408 (d), or by the use of a certificate issued to a publicly owned agricultural experiment station, as provided for in section 408 (e), the buyer or his agent shall not keep a record or make a report with respect to such cotton other than the record and report provided for in subsection (b) of this section.
- 2. If the cotton is identified to him or his agent by the use of a certificate on form Cotton 211-A, as provided for in sections 408 (b) and 408 (d), or by the certification of a Federally-licensed cotton classifier on form Cotton 221, as provided for in section 408 (f), the buyer or his agent shall examine and execute each such certificate and shall retain the original thereof and shall forward one copy thereof on the postal card to the treasurer of the county committee of the county in which the cotton covered thereby was produced and one copy thereof shall be retained by the producer of the cotton covered thereby.
- 3. If the cotton is identified to him or his agent by the use of a red marketing card (form Cotton 212) and form Cotton | marketing of the cotton covered thereby | found by the county committee, upon

producer or his agent holding his marketing card, as provided for in section 408 (c), the buyer or his agent, with the assistance of the producer, shall execute form Cotton 213 in triplicate by entering thereon, in the spaces provided, (1) the amount, if any, of the unused portion of the farm marketing quota or producer marketing quota, (2) the amount of lint cotton purchased from the producer in the particular transaction, amount of the farm marketing quota or producer marketing quota, as the case may be, remaining after deducting the amount of cotton purchased from the producer in the particular transaction from the amount of the unused portion of the farm marketing quota or producer marketing quota, as the case may be, or the amount of lint cotton purchased from the producer in the particular transaction which is in excess of the unused portion of the farm marketing quota or producer marketing quota, (4) the amount of the penalty, if any, which is due with respect to the lint cotton marketed in the particular transaction, (5) the gin bale numbers or marks of the cotton purchased in the particular transaction, (6) the date on which the cotton was purchased, (7) the fact that the penalty with respect to the marketing of the cotton was or was not collected, (8) the name of the producer to whom the red marketing card (form Cotton 212) was issued, (9) the State and county code number and the serial number of the farm on which the cotton was produced, and (10) the name and address of the buyer. After such entries have been made, form Cotton 213 shall be executed by the buyer and the producer who shall certify to the correctness of the entries. In case cotton is purchased in the seed, the buyer and the producer shall estimate the amount of lint cotton for the purpose of entering the information required to be shown on form Cotton 213 and shall enter thereon in lieu of the gin bale numbers or marks the number of pounds of seed cotton marketed in the particular transaction followed by the words "pounds of seed cotton." Form Cotton 213 so executed by the buyer and the producer shall be the receipt from the buyer to the producer for the amount of the penalty, if any, collected by the buyer as provided for in section 505. One copy of form Cotton 213 executed as provided for in this paragraph shall be retained by the producer, the original thereof shall be retained by the buyer, and the copy thereof on the postal card shall (1) be forwarded by the buyer to the treasurer of the county committee by depositing it in the United States mails, if no penalty was collected with respect to the marketing of the cotton covered thereby. or (2) delivered by the buyer to the treasurer of the county committee at the time the penalty with respect to the

4. If the cotton is identified to him or his agent by the use of form Cotton 213 when the cotton is marketed by telephone, telegraph, or letter, or by any means or method other than directly to and in the presence of the producer or his agent holding his marketing card, as provided for in section 408 (c), the buyer or his agent shall examine the original of form Cotton 213 and the copy thereof on the postal card submitted by the producer and, if the information required to be shown thereon as provided for in paragraph 3 of this subsection has been correctly entered thereon by the producer, the buyer or his agent shall execute the original and copy thereof and state therein the fact that the penalty due with respect to the marketing of such cotton was or was not collected, as the case may be, and enter the date and place of his signature. Form Cotton 213 may be returned by the buyer or his agent to the producer or his agent for the purpose of correcting any errors made in its execution by the producer or his agent. The original of form Cotton 213 so executed shall be retained by the buyer and the copy thereof on the postal card transmitted to the treasurer of the county committee in the manner provided in paragraph 3 of this subsection. The buyer or his agent shall execute and transmit to the producer a receipt in a form acceptable to the producer for the amount of the penalty, if any, collected.

5. If the cotton is identified to him or his agent by the use of a red marketing card (form Cotton 212) and form Cotton 213 and the producer or his agent presents to the buyer or his agent a receipt or receipts, describing the cotton purchased in the particular transaction. executed by the treasurer of the county committee on form Cotton 219-A as evidence of the fact that the penalty with respect to the marketing of the cotton described in such receipt or receipts has been paid in advance by the producer, as provided for in paragraph 6 of section 603 (a), the buyer or his agent shall execute form Cotton 213 in the manner provided for in paragraph 3 or 4, whichever is applicable, of this section, except that the buyer shall state therein the fact that the penalty was not collected by him. The original of form Cotton 213 and the original of each form Cotton 219-A relating thereto shall be retained by the buyer.

(b) Persons buying cotton are hereby requested, in conformity with section 373 (a) of the Act, to report to the Secretary of Agriculture in the following manner the following information and to keep the following records on form Cotton 220, which information and records the Secretary of Agriculture hereby finds to be necessary to enable him to carry out with respect to cotton the provisions of Title III of the Act. In the event it is upon the basis of an investigation made or caused to be made by it, that any buyer has failed to collect the penalty on any cotton which he has purchased, the marketing of which is subject to the penalty and was so identified to him as provided for in section 408, or that any buyer has purchased any cotton without requiring the seller thereof to identify such cotton as provided for in section 408, the buyer shall, within 15 days after being requested to do so in writing deposited in the United States mail, registered and addressed to such buyer at his last-known address by such county committee, make a report to such committee on all the cotton which he has purchased during the marketing year up to and including the day on which he was so notified, in order that the county committee may make an investigation or an additional investigation to determine whether any cotton purchased during such time by such buyer was cotton the marketing of which was subject to the penalty and the penalty was not collected. Such report shall include for each bale, or lot of cotton if less than a bale, purchased during such time by such buyer (1) the name and address of the producer from whom the bale or lot of cotton was purchased, (2) the gin bale number or mark on the bale of cotton, (3) the number of pounds of lint cotton in the bale or lot, (4) a statement as to whether the buyer collected the penalty with respect to the marketing of the bale or lot of cotton, and (5) the amount of the penalty if it was collected. Such information shall be reported on form Cotton 220 and the buyer shall submit with such report a statement verified by affidavit that the report is true and correct to his best knowledge.

(c) Any person engaged in the business of purchasing cotton from producers failing to keep any record or make any report as required by this section or making any false report or false record shall, as provided for in Section 373 (a) of the Act, be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500.00 [Sec. 373 (a).]

SEC. 603. Records to be kept and reports to be submitted by producers.-(a) A producer to whom a red marketing card (form Cotton 212) was issued shall keep the following records in connection with all cotton marketed by him:

1. If the producer or his agent markets cotton by sale directly to and in the presence of the buyer or his agent, the producer or his agent shall execute the applicable portion of form Cotton 213 and assist the buyer or his agent in the execution thereof as provided for in paragraph 3 of section 602 (a) and one copy thereof so executed by the buyer and the producer or their agents shall be retained by the producer.

2. If the producer or his agent markets cotton by sale by telephone, tele-

method other than directly to and in the presence of the buyer or his agent, the producer or his agent shall execute form Cotton 213 by showing therein the information provided for in paragraph 3 of section 602 (a) and shall (1) retain one copy thereof so executed and (2) transmit the original thereof and the copy thereof on the postal card to the buyer or his agent by attaching the original and copy thereof on the postal card so executed to the bill of lading or the draft or bill of exchange used in the transaction or by any other means or method consistent with the nature of the trans-

3. If the producer or his agent markets cotton by barter or exchange directly to and in the presence of the transferee or his agent, the producer or his agent shall execute form Cotton 213 and assist the transferee or his agent in the execution thereof as provided for in section 604 and one copy thereof so executed by the transferee and the producer or their agents shall be retained by the producer and the original thereof delivered to the transferee. The copy of form Cotton 213 on the postal card shall be (1) delivered to the transferee or his agent if the transferee collected the penalty, if any, with respect to the marketing of the cotton as provided for in section 505 (a) or (2) forwarded by the producer to the treasurer of the county committee by depositing it in the United States mails if no penalty was incurred with respect to the marketing of the cotton or (3) delivered by the producer to the treasurer of the county committee at the time the producer remits the penalty with respect to the marketing of the cotton as provided for in section 506 (a).

4. If the producer or his agent markets cotton by barter or exchange by telephone, telegraph, or letter, or by any means or method other than directly to and in the presence of the transferee or his agent, the producer or his agent shall execute form Cotton 213 by showing therein the information provided for in paragraph 3 of section 602 (a) and the producer or his agent shall (1) retain one copy thereof so executed and (2) transmit the original thereof to the transferee or his agent and (3) transmit the copy thereof on the postal card to the transferee or his agent if the transferee collected the penalty, if any, with respect to the marketing of the cotton as provided for in section 505 (a), or delivered the copy thereof on the franked card to the treasurer of the county committee at the time the producer remits the penalty with respect to the marketing of the cotton as provided for in section 506 (a), or forward it to the said treasurer by depositing it in the United States mails if no penalty was incurred with respect to the marketing of the cotton. If the penalty is collected by the transferee in such a transaction, as provided for in section 505 (a), he or his

the basis of evidence submitted to it or | graph, or letter, or by any means or | producer a receipt for the penalty collected in a form acceptable to the producer.

5. If the producer or his agent markets the cotton to any person not within the United States, the producer or his agent shall execute form Cotton 213 by showing therein the information provided for in paragraph 3 of section 602 (a) and shall indicate in the space provided thereon for the signature of the buyer or transferee that the buyer or transferee is a person not within the United States. The producer shall retain one copy of form Cotton 213 so executed and shall forward the original thereof and copy thereof on the postal card to the treasurer of the county committee together with the penalty, if any, incurred with respect to the marketing of such cotton.

6. If the producer pays the penalty with respect to the marketing of any cotton prior to the time such cotton is marketed, as provided for in section 505 (b), the treasurer of the county committee to whom such penalty is paid shall execute, in triplicate, form Cotton 219-A by describing therein the cotton with respect to the marketing of which the penalty has been paid and shall retain one copy thereof and deliver the original and one copy thereof to the producer. The original of form Cotton 219-A so executed shall be delivered by the producer or his agent to the buyer or transferee of the cotton described therein at the time such cotton is marketed, and the producer or his agent shall execute form Cotton 213 with respect to such cotton in accordance with the foregoing provisions of this subsection.

7. Any operator or producer to whom a red marketing card (form Cotton 212) is issued shall, upon executing a form Cotton 213 covering cotton the beneficial title to any part or all of which was originally held by one or more other producers, forthwith execute form Cotton 222 in duplicate, retain the copy thereof and forward the original to the treasurer of the county committee for the county in which such form Cotton 213 was issued. Form Cotton 222 so executed shall be identified with the form Cotton 213 to which it relates and shall show the name of each such producer and the share of each such producer in the cotton covered by such form Cotton 213.

(b) The operator of each farm on which the acreage planted to cotton in 1938 is in excess of the farm acreage allotment for the farm shall file with the county committee after all the cotton on the farm has been harvested or January 1, 1939, whichever is the earlier. a report on form Cotton 217 showing (1) the total pounds of lint cotton produced in 1938 by all producers on the farm, (2) the pounds of lint cotton carried over into the marketing year from any previous crop by each producer on the farm. (3) the producer marketing quota for each producer on the farm, (4) the agent shall execute and transmit to the amount of lint cotton produced on each planted to cotton in 1938 on the farm. (5) the amount of cotton marketed by each producer prior to the date of submitting this report, (6) the pounds of lint cotton sold by each producer, the marketing of which is or was subject to the penalty, (7) the amount of the penalty paid by each producer, (8) the pounds of lint cotton each producer has on hand which has not been marketed at the time of submitting the report, and (9) the estimated amount of lint cotton that each producer will harvest from the 1938 crop after the report is submitted. In the event the total production of cotton in 1938 on such farm is not harvested or marketed prior to January 1, 1939, the operator shall make on form Cotton 217 and file with the county committee an additional report of the information required by this subsection after the total production of cotton in 1938 on such farm has been harvested and marketed or not later than August 1, 1939, whichever is the earlier. [Sec. 373 (b) J

SEC. 604. Records to be kept and reports to be submitted by transferees .-Each transferee of cotton shall execute form Cotton 213 by signing his name thereon in the space provided and by stating therein whether the penalty, if any, with respect to the marketing of such cotton was or was not collected by him from the producer. The original of form Cotton 213 so executed shall be retained by the transferee. If the transferee collected the penalty with respect to the marketing of such cotton as provided for in section 505 (a), he shall issue and deliver to the producer who paid the penalty a receipt and receive from the producer the copy of form Cotton 213 on the postal card and deliver it to the treasurer of the county committee at the time of remitting the penalty as provided for in section 506.

Sec. 605. Data to be kept confidential.-All data reported to or acquired by the Secretary of Agriculture pursuant to and in the manner provided in this Part VI shall be kept confidential by all officers and employees of the United States Department of Agriculture, members of county committees, other local committees, and State committees, county agents, and the employees of such committees and of county agents' offices, and shall not be disclosed to anyone not having an interest in or responsibility for any cotton, farm, or transaction covered by the particular data, record, information, report, or form and only such data so reported or acquired as the Secretary of Agriculture deems relevant shall be disclosed by them to anyone not having such an interest or not being employed in the administration of the Act and then only in a suit or administrative hearing under Title III of the Act. [Sec. 373 (c).]

SEC. 606. Enforcement.-It shall be the duty of the county committee to report in writing to the State committee included in the States of Delaware, Ken- proceeds of such crops.

producer's acreage share of the acreage | forthwith each case of failure or refusal | tucky, Maryland, North Carolina, Tento make any report or keep any record as required by these regulations and each case of making any false report or record. It shall be the duty of the State committee to report each such case forthwith in writing in triplicate to the United States Department of Agriculture with a view to the institution of proceedings by the United States attorney for the appropriate district, under the direction of the Attorney General of the United States, to enforce the provisions of Title III of the Act. [Sec. 376.]

PART VII. MISCELLANEOUS

Section 701. Forms and instructions. The Administrator of the Agricultural Adjustment Administration shall cause to be prepared and issued with his approval such instructions (as parts of the general series referred to in section 107) and such forms as may be required to carry out these regulations. Copies of such forms and necessary instructions shall be furnished free to persons needing them upon request made to the office of the appropriate county committee.

Sec. 702. Interim marketing cards, marketing certificates, and penalty receipts.-Whenever the regional director shall authorize the use of form Cotton 223 in lieu of the red marketing card (form Cotton 212) and form Cotton 224 in lieu of the marketing certificate and penalty receipt (form Cotton 213), form Cotton 223 and form Cotton 224 shall be issued, accounted for, used, and executed in the manner herein otherwise provided in the case of form Cotton 212 and form Cotton 213, respectively, provided, that the use of any forms Cotton 223 or 224 shall not be authorized if forms Cotton 212 and 213 are available for use.

SEC. 703. Long staple cotton.-Except as herein otherwise specifically set forth the provisions of these regulations do not apply to cotton the staple of which is 11/2 inches or more in length. [Sec. 350.]

PART VIII. DEPINITIONS

Section 801. Definitions .- As used in these regulations and in all forms and documents in connection therewith, unless the context or subject matter otherwise requires:

- 1. Act means the Agricultural Adjustment Act of 1938 and any amendments
- 2. Secretary of Agriculture means the Secretary of Agriculture of the United States.
- 3. Administrator means the Administrator of the Agricultural Adjustment Administration of the United States Department of Agriculture.
- 4. Regional Director means the director of the division of the Agricultural Adjustment Administration in charge of the administration of Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act in the region.
- 5. East Central Region means the area

nessee, Virginia, and West Virginia.

- 6. Southern Region means the area included in the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, and Texas.
- 7. North Central Region means the area included in the States of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.
- 8. Western Region means the area included in the States of Arizona, California, Colorado, Idaho, Kansas Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wy-
- 9. State Committee means the group of persons designated within any State to assist in the administration of Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act.
- 10. Committee means a committee within a county or community utilized under Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act. "County committee". "community committee", or "local committee" shall have corresponding meanings in the connection in which they are used

11. Review Committee means the review committee appointed by the Secretary as provided in Section 363 of the

12. Person means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any agency of a State. The term "person" shall include two or more persons having a joint or common interest. Words importing the masculine gender may be applied to and include partnerships, firms, joint-stock companies, corporations, associations, trusts, estates, agencies of a State, and women.

13. Owner or Landlord means a person who owns farm land and rents such land to another person or operates such land.

14. Cash Tenant or Standing-Rent Tenant or Fixed-Rent Tenant means a person who rents land from another for a fixed amount of cash or a commodity to be paid as rent.

15. Share Tenant means a person other than a sharecropper who rents land from another person and pays as rent a share of the crops or the proceeds thereof

16. Sharecropper means a person who works a farm in whole or in part under the general supervision of the operator and is entitled to receive for his labor a share of a crop produced thereon or the proceeds thereof.

17. Operator means a person who as a landlord or cash tenant or standing or fixed-rent tenant is operating a farm and is entitled to receive all or a portion of the crops produced thereon or the proceeds of such crops, or who as a share tenant is operating a whole farm and is entitled under a written or oral lease or agreement to receive a portion of the crops produced thereon or of the

- 18. Producer or Farmer means a person who is entitled to a share of the cotton marketing quota established for cotton crop, or the proceeds thereof, produced on the farm in 1938, as owner, landlord, cash tenant, standing-rent tenant, fixed-rent tenant, share tenant, or sharecropper. The term "producer" or "farmer" also includes a wage hand (or cropper) who as a laborer on a farm instead of receiving daily or other cash wages for his labor receives either all the cotton produced by him or another on an agreed or specified acreage or all the cotton produced on an agreed or specifled portion of the acreage cultivated by him or another.
- 19. Buyer means a person who buys cotton from a producer.
- 20. Transferee means a person who receives cotton from a producer by barter or exchange.
- 21. Ginner means a person who gins cotton.
- 22. Treasurer of the County Committee means the treasurer of the county agricultural conservation association or the treasurer of the county committee. as the case may be.
- 23. Farm means all adjacent or nearby farm land under the same ownership which is operated by one person, including also:
- 1. Any other adjacent or nearby farm land operated by the same person (as part of the same unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other land) the inclusion of which is requested or agreed to, within the time and in the manner specified by the Agricultural Adjustment Administration, by the operator and all the owners who are entitled to share in the proceeds of the crop on any of the land to be included in the farm, which request and agreement shall be applicable to the designation of the land included in such farm both under the 1938 Agricultural Conservation Program and under these regulations:
- 2. Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops:

Provided, that land not under the same ownership shall be included in the same farm only if the county committee determines that all of such land is customarily regarded in the community as constituting one farm. A farm shall be regarded as located in the county or the local administrative area within the county, as the case may be, in which the principal dwelling is situated, or if there is no dwelling thereon it shall be regarded as located in the county or local administrative area, as the case may be, in which the major portion of the farm is located.

- a farm under section 201 of these regu-
- 25. Producer Marketing Quota means a producer's share of a farm marketing quota.
- 26. Farm Acreage Allotment means a cotton acreage allotment established for a farm under section 104 of these regu-
- 27. Normal Yield Per Acre of Lint Cotton means the number of pounds of lint cotton established as the normal yield for the farm in accordance with section 105.
- 28. Actual Production of any number of acres of cotton on a farm means the actual average yield of lint cotton for the farm for 1938 times such number of acres.
- 29. Normal Production as applied to any number of acres of cotton means the normal yield per acre of lint cotton for the farm times such number of acres.
- 30. Lint Cotton means the fiber taken from seed cotton by ginning.
- 31. Seed Cotton means the harvested fruit of the cotton plant before it is ginned.
- 32. Ginning means separating lint cotton from the seed.
- 33. Market means to dispose of by sale, barter, or exchange.
- 1. The term "sale" as used herein means any transfer of title to cotton by a producer to another by any means other than barter or exchange.
- 2. The terms "barter" and "exchange" mean transfer of title to cotton by a producer to another in return for cotton or other commodities, services, or property in cases where the value of the cotton or such other commodities, services, or property is not considered in terms of money, or the transfer of title to cotton by a producer to another in payment of a fixed rental or other charge for land.
- 3. "Marketed", "marketing", and "for market" shall have corresponding meanings to the term "market" in the connection in which they are used.
- 34. Marketing year means the period beginning on August 1, 1938, and ending with July 31, 1939, both dates inclusive.
- 35. Penalty means the penalty provided in Section 348 of the Act.
- 36. State and county code number means the applicable number assigned by the Agricultural Adjustment Administration to each county for the purpose of identification.
- 37. Serial number of the farm or farm serial number means the serial number assigned to a farm.
- 38. Gin bale numer or mark means the number on the bale tag or any mark made or used by the ginner to identify a bale of cotton.

(F. R. Doc. 38-1849; Filed, June 29, 1938;

24. Farm Marketing Quota means a TITLE 16-COMPETITIVE PRACTICES

FEDERAL TRADE COMMISSION

United States of America-Before Federal Trade Commission

At a regular session of the Federal Trade Commission held at its office in the City of Washington, D. C., on the 29th day of June, A. D. 1938.

Commissioners: Garland S. Ferguson, Chairman; Charles H. March, Ewin L. Davis, William A. Ayres, Robert E. Freer.

[File No. 21-272]

IN THE MATTER OF TRADE PRACTICE RULES CONCERNING THE SHRINKAGE OF WOVEN COTTON YARD GOODS

PROMULGATION

Due proceedings having been had 1 under the trade practice conference procedure in pursuance of the Act of Congress approved September 26, 1914, as amended (Federal Trade Commission

It is now ordered. That the trade practice rules of Group I which have been approved by the Commission in this proceeding be promulgated June 30, 1938.

Trade Practice Rules-Shrinkage of Woven Cotton Yard Goods

These rules promulgated by the Commission are designed to foster and promote fair competitive conditions in the interest of the industry and the public. They are not to be used, directly or indirectly, as part of or in connection with any combination or agreement to fix prices, or for the suppression of competition, or otherwise to unreasonably restrain trade.

Group I

Unfair trade practices which are embraced in Group I rules are considered to be unfair methods of competition, unfair or deceptive acts or practices, or other illegal practices, prohibited under laws administered by the Federal Trade Commission as construed in the decisions of the Commission or the courts; and appropriate proceedings in the public interest will be taken by the Commission to prevent the use of such unlawful practices in or directly affecting interstate commerce.

RULE 1. Definition .- As used in these rules, the term "residual shrinkage" applied to woven cotton yard goods in the piece means the shrinkage or shrinking properties remaining in such goods after the same have undergone a shrinking process.

RULE 2. The practice of selling, offering for sale, advertising, describing, branding, marking, or labeling woven cotton yard goods in a manner which is calculated to mislead or deceive or has the tendency and capacity or effect of mis-

¹³ F. R. 54 (DI).

leading or deceiving purchasers, pros-| residual shrinkage. To avoid confusion. pective purchasers, or the consuming deception, or misunderstanding, the public with respect to the preshrunk character of such goods, the residual shrinkage remaining therein, or with respect to the extent of the shrinkage to which such goods have been subjected. or respecting any other shrinkage properties, quality, or character of such goods, is an unfair trade practice.

RULE 3. In the sale or distribution of woven cotton yard goods, it is an unfair trade practice: (a) to use, or cause to be used, directly or indirectly, the terms "Full Shrunk," "Preshrunk," "Shrunk," "Shrinkproof," "Will not Shrink," "Mill Shrunk," "Double Shrunk," "Non-Shrinkable," or word, term, mark, label, or representation of like effect or similar import, as descriptive of such goods when the same are not in fact shrinkproof or non-shrinkable, or have not in fact been fully shrunk or preshrunk to the extent that no residual shrinkage is left remaining in such goods, or (b) otherwise to use, or cause to be used, any such word, term, mark, label, or representation so as to mislead or deceive purchasers, prospective purchasers, or the consuming public into the belief that such goods have been shrunk to a greater degree than is in fact true or that the residual shrinkage of such goods is less than is in fact true.

Rule 4. Nothing in these rules shall prohibit the use of the term "Full Shrunk," "Preshrunk," "Shrunk," "Shrinkproof," "Non-Shrinkable," word, term, mark, label, or representation of like effect or similar import, as descriptive of woven cotton yard goods which have undergone the application of a shrinking process and thereby have been shrunk or preshrunk to the extent that no residual shrinkage is left remaining in such goods, and provided that subsequent to the application of such shrinking process the goods have not been subjected to stretching or to any condition or process which has restored shrinking properties or residual shrinkage to such goods.

Rule 5. Use of terms "Preshrunk" or "Shrunk" with qualifications .- (I) In the case of woven cotton yard goods which have undergone the application of a shrinking process and have been shrunk to a substantial extent but as to which there remains a certain amount of residual shrinkage, nothing in these rules shall prohibit the use of the term "Preshrunk", "Shrunk", or term or word of like effect or similar import, as an integral part of or in immediate conjunction with a truthful phrase, statement, or assertion clearly and unequivocally stating the fact that such goods have been preshrunk or shrunk to a substantial extent and also setting forth in percentage or percentages the amount or residual shrinkage remaining in both the warp and the filling, or in the warp or the filling whichever has the greater

standard shrinkage test provided for in paragraph (V) of this rule should be used in determining percentages to be specified in such designations. The fol-lowing are typical examples of designations provided for in this rule:

(a) "Preshrunk (or shrunk)-will not shrink more than ____% under Commercial Standard CS59-36"

(b) "Preshrunk (or shrunk)-residual shrinkage will not exceed ____% under Commercial Standard CS59-36"

(c) "Preshrunk (or shrunk)-residual shrinkage will not exceed warp ____%, filling ____%, Commercial Standard CS59-36"

(d) "These goods have been shrunk (or preshrunk) to the extent that residual shrinkage will not exceed ____ % when tested in accordance with the recognized and approved standards or tests."

(II) The residual shrinkage percentage designations provided for in this Rule 5 for woven cotton yard goods should be stamped on or otherwise firmly affixed to the material in conspicuous size and legibility of type or style, and should also appear similarly on all invoices, labels, marks, or advertisements which carry reference to the shrinkage of the goods.

(III) The use of residual shrinkage percentage designations not in conformity with results obtainable under the test specified in paragraph (V) of this rule, with the capacity and tendency or effect of misleading or deceiving purchasers, prospective purchasers, or the consuming public, is an unfair trade practice.

(IV) The use or specification of an unreliable or inadequate test in any such designations, or the refusal to specify a test which is proper and applicable, when done for the purpose or with the capacity and tendency or effect of directly or indirectly misleading or deceiving purchasers, prospective purchasers, or the consuming public, is an unfair trade practice.

(V) The following test is deemed to be an accepted and recognized test for determining shrinkage properties or residual shrinkage of woven cotton yard goods in the application of these rules and is recommended for use as a standard shrinkage test for this purpose:

"Commercial Standard CS59-36"

Rule 6. It is an unfair trade practice for any person, firm or corporation to aid, abet, coerce or induce another, directly or indirectly, to use or promote the use of any unfair trade practice specified in these rules.

By the Commission.

[SEAL] OTIS B. JOHNSON, Secretary.

Entered June 29, 1938.

[F. R. Doc. 38-1850; Piled, June 29, 1938; 12:11 p. m.]

TITLE 45-SECURITIES AND EXCHANGES

SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933, SECURITIES EX-CHANGE ACT OF 1934, PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

AMENDED RULES OF PRACTICE

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Securities Act of 1933, as amended, particularly Section 19 (a) thereof, the Securities Exchange Act of 1934, as amended, particularly Section 23 (a) thereof, the Public Utility Holding Company Act of 1935, particularly Section 20 (a) thereof, and finding that it is necessary to carry out the provisions of the Securities Act of 1933, as amended, and the Public Utility Holding Company Act of 1935 and that it is necessary for the execution of the functions vested in the Commission by the Securities Exchange Act of 1934, as amended. hereby (1) repeals as of July 1, 1938, the Rules of Practice of the Commission in effect on June 25, 1938 and (2) adopts the following Amended Rules of Practice effective July 1, 1938:

Rules of Practice as Amended June 25, 1938.*

(Effective July 1, 1938)

SEC. 1.I (Rule I). Business hours-Regional offices .- The principal office of the Commission at Washington, D. C., is open on each business day, excepting Saturdays, from 9 a. m. to 4:30 p. m., and on Saturdays from 9 a. m. to 1 p. m. Regional offices are maintained at New York, Boston, Atlanta, Chicago, Fort Worth, Denver, San Francisco, and Seattle.*

SEC. 1.II. (Rule II). Appearance and practice before the Commission,-(a) An individual may appear in his own behalf, a member of a partnership may represent the partnership, a bona-fide officer of a corporation, trust or association may represent the corporation, trust or association, and an officer or employee of a state commission or of a department or political subdivision of a state may represent the state commission or the department or political subdivision of the state, in any proceeding.

(b) A person may be represented in any proceeding by an attorney at law admitted to practice before the Supreme Court of the United States, or the highest court of any State or Territory of the United States, or the Court of Appeals or the District Court of the United States for the District of Columbia.

(c) A person shall not be represented at any hearing before the Commission or a trial examiner except as stated in paragraphs (a) and (b) of this rule.

(d) Any person appearing before or transacting business with the Commis-

Note.-Footnotes at end of this article.

the Commission showing his authority to

act in such capacity.

(e) The Commission may disqualify, and deny, temporarily or permanently, the privilege of appearing or practicing before it in any way to, any person who is found by the Commission after hearing in the matter

(1) Not to possess the requisite qualifications to represent others; or

(2) To be lacking in character or integrity or to have engaged in unethical or improper professional conduct.

(f) Contemptuous conduct at hearing before the Commission or a trial examiner shall be ground for exclusion from said hearing and for summary suspension without a hearing for the duration of the hearing.

(g) For the purposes of this rule, practicing before the Commission shall include the preparation of any statement, opinion or other paper by any attorney, accountant, engineer or other expert, filed with the Commission in any registration statement, application, report or other document with the consent of such attorney, accountant, engineer or other expert.*

SEC. 1.III (Rule III). Notice of hearing .- (a) Whenever a hearing is ordered by the Commission in any proceeding, notice of such hearing shall be given by the Secretary or other duly designated officer of the Commission to the registrant, applicant, or other parties to the proceeding, or to the person designated as being authorized to receive notices issued by the Commission. Such notice shall state the time, place and subject matter of the hearing and, in proceedings instituted by the Commission, shall be accompanied, except as provided in paragraph (b) hereof, by a short and simple statement of the matters to be considered and determined. Such notice shall be given by personal service, registered mail, or confirmed telegraphic notice, a reasonable time in advance of the hearing.

(b) Whenever a hearing is ordered by the Commission in any proceeding pursuant to Section 8 of the Securities Act of 1933, as amended,1 notice of such hearing shall be given by the Secretary or other duly designated officer of the Commission to the person designated in the registration statement as being authorized to receive service and notice of orders and notices issued by the Commission relating to such registration statement. Such notice shall state the time and place of hearing and shall include a statement of the items in the registration statement by number or name which appear to be incomplete or inaccurate in any material respect, or to include any untrue statement of a material fact, or to omit a statement of any material fact required to be stated therein or necessary to make the statement therein not misleading. Such notice shall be given official reporter at the prescribed rates.

time in advance of the hearing. The personal notice or the confirmation of telegraphic notice shall be accompanied by a short and simple statement of the matters and items specified to be considered and determined.*

Sec. 1.IV (Rule IV). Amendments .-(a) Whenever a hearing is ordered by the Commission in any proceeding pursuant to Section 8 of the Securities Act of 1933, as amended,1 and items in the registration statement which appear to be incomplete or inaccurate in any material respect, or to include any untrue statement of a material fact, or to omit a statement of any material fact required to be stated therein or necessary to make the statements therein not misleading, are not particularly specified in the notice, such items shall be so specified by amendment to the notice prior to the taking of testimony in regard to such items. The trial examiner may grant or deny a motion for such amendment. Such motions shall be in writing, and may be filed with the trial examiner at any time prior to the termination of the hearing. On request of the registrant the trial examiner, after granting such motion, shall grant a reasonable time within which the registrant may familiarize himself with such matters before taking testimony in regard to such items.

(b) In any other proceeding instituted by the Commission, amendment may be allowed to the order, rule to show cause or other moving papers, by the Commission on application to it, or by it upon its own motion.

(c) When issues not raised by the pleading of a party or the Commission's statement of matters to be considered and determined are tried by express or implied consent of the parties, they may be treated in all respects as if they had been raised in the pleadings."

SEC. 1.V (Rule V). Hearings for the purpose of taking evidence.-(a) Hearings for the purpose of taking evidence shall be held as ordered by the Commis-

(b) All such hearings shall be held before the Commission, one or more of its members, or a duly designated officer, herein referred to as the trial examiner. and all such hearings, except hearings pursuant to the provisions of Clause 30 of Schedule A of the Securities Act of 1933 as amended,' or Section 24 (b) of the Securities Exchange Act of 1934, as amended,3 or Section 22 (b) of the Public Utility Holding Company Act of 1935, shall be public unless otherwise ordered by the Commission.

(c) Hearings for the purpose of taking evidence shall be stenographically reported and a transcript thereof shall be made which shall be a part of the record of the proceeding. Transcripts of public hearings will be supplied by the

sion in a representative capacity may be | either by personal service or by con-| Transcripts of private hearings will be required to file a power of attorney with firmed telegraphic notice a reasonable supplied at the prescribed rates to the parties.

(d) Objections to the admission or exclusion of evidence before the Commission or trial examiner shall be in short form, stating the grounds of objections relied upon, and the transcript shall not include argument or debate thereon except as ordered by the Commission or the trial examiner. Exception to any such ruling must be noted before the trial examiner in order to be urged before the Commission. Rulings by the Commission or trial examiner on such objections shall be a part of the transcript.

(e) In any proceeding the Commission or the trial examiner may call for the production of further evidence upon any issue, and, upon notice to all parties, may reopen any hearing at any time prior to the Commission's order disposing of such proceeding.

(f) Subpoenas requiring the attendance of witnesses from any place in the United States at any designated place of hearing may be issued by any member of the Commission or any officer designated by it for that purpose in connection with any hearing ordered by the Commission, upon written application

(g) Subpoenas for the production of documentary evidence will issue only upon application in writing, which must specify, as nearly as may be, the documents desired and the facts to be proved by them, in sufficient detail to indicate the materiality and relevance of the documents desired.

(h) Witnesses summoned before the Commission shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States. Witness fees and mileage shall be paid by the party at whose instance the witnesses appear.

(i) In proceedings pursuant to the provisions of Clause 30 of Schedule A of the Securities Act of 1933, as amended.3 or Section 24 (b) of the Securities Exchange Act of 1934, as amended,' or Section 22 (b) of the Public Utility Holding Company Act of 1935, if a hearing for the purpose of taking testimony is requested, the Commission may in its discretion, prior to the hearing, require the registrant to furnish in writing additional information in respect of its grounds of objection. Failure to supply the information so requested within fifteen days from the date of receipt by the registrant of a notice of the information required, shall be deemed a waiver of the objections to public disclosure of that portion of the information filed confidentially with respect to which the additional information required by the Com-

Nore.-Footnotes at end of this article.

mission relates, unless the Commission | the place where, and the designated offi- | the deposition issues and if not so made shall otherwise order for good cause shown at or before the expiration of such fifteen-day period.*

SEC. 1.VI (Rule VI). Motions .- (a) Motions in any proceeding before a trial examiner which relate to the introduction or striking of evidence, or motions before a trial examiner in any proceeding pursuant to Section 8 of the Securities Act of 1933, as amended,1 which relate to amendment of the notice of hearing to include additional items of the registration statement as provided in Rule IV (a), [Sec. 1.IV] may be ruled on by the trial examiner. All other motions shall be ruled on by the Commis-

(b) Motions or similar pleadings calling for determination by the Commission shall be filed with the Secretary or other duly designated officer of the Commission in writing, provided that motions or similar pleadings calling for determination by the Commission but made in the course of a hearing, may be filed with the trial examiner in writing who shall refer such motion to the Commission. Any such motion or similar pleading shall be accompanied by a written brief of the points and authorities relied upon in support of the same. Any party or counsel to the Commission may file a reply brief within 5 days after service upon him of such motion or other pleading as provided in Rule XIV. [Sec. 1.XIV] unless otherwise ordered by the Commission. Motions and similar pleadings will be considered on the briefs filed following the time for filing the reply brief, unless otherwise ordered by the Commission. No oral argument will be heard on such matters unless the Commission so directs.*

SEC. 1.VII (Rule VII). Extension of time - continuances and adjournments.-Except as otherwise expressly provided by law, the Commission for cause shown may extend any time limits prescribed by these rules for filing any papers, and may continue or adjourn any hearing. A hearing before a trial examiner shall begin at the time and place ordered by the Commission, but thereafter may be successively adjourned to such time and place as may be ordered by the Commission or by the trial examiner.*

SEC. 1.VIII (Rule VIII), Depositions,-(a) The Commission may, for cause shown, order testimony to be taken by deposition.

(b) If any party or counsel to the Commission desires to take a deposition he shall make application in writing, setting forth the reasons why such deposition should be taken, the name and residence of the witness, the matters concerning which it is expected the witness will testify, and the time and place proposed for the taking of the deposition. Thereupon the Commission may, in its discretion, issue an order which will name the witness whose deposition cer before whom the witness is to testify. Such order shall be served upon all parties and counsel to the Commission by the Secretary, or other duly designated officer of the Commission, a reasonable time in advance of the time fixed for taking testimony.

(c) Witnesses whose testimony is taken by deposition shall be sworn or shall affirm before any questions are put to them. Each question propounded shall be recorded and the answers shall be taken down in the words of the witness.

(d) Objections to questions or evidence shall be in short form, stating the grounds of objection relied upon, but no transcript filed by the officer shall include argument or debate. Objections to questions or evidence shall be noted by the officer upon the deposition, but he shall not have power to decide on the competency or materiality or relevancy of evidence. Objections to questions or evidence not taken before the officer shall be deemed waived.

(e) The testimony shall be reduced to writing by the officer, or under his direction, after which the deposition shall be subscribed by the witness and certified in usual form by the officer. The original deposition and exhibits shall be forwarded under seal to the Secretary of the Commission with such number of copies as may be requested by the Secretary of the Commission. Upon receipt thereof the Secretary shall file the original in the proceedings and shall forward a copy to each party or his attorney of record and to counsel to the Commission.

(f) Such depositions shall conform to the specifications of Rule XV [Sec. 1.XV].

(g) Any part of a deposition not received in evidence at a hearing before the Commission or a trial examiner shall not constitute a part of the record in such proceeding, unless the parties and counsel to the Commission shall so agree, or the Commission so orders.

(h) Depositions may also be taken and submitted on written interrogatories in substantially the same manner as depositions taken by oral examination. The interrogatories shall be filed with the application in triplicate, and copies thereof shall be served on all other parties and counsel to the Commission by the Secretary or other duly designated officer of the Commission. Within 5 days any other party or counsel to the Commission may file with the Secretary his objections, if any, to such interrogatories, and may file such cross-interrogatories as he desires to submit. Crossinterrogatories shall be filed in triplicate. and copies shall be served on all other parties and counsel to the Commission. who shall have 3 days thereafter to file their objections, if any, to such crossinterrogatories. Objections to interrogatories or cross-interrogatories shall be settled by the Commission or trial examiner. Objections to interrogatories is to be taken and specify the time when, shall be made before the order for taking

shall be deemed waived. When a deposition is taken upon written interrogatories and cross-interrogatories, neither any party nor counsel to the Commission shall be present or represented, and no person other than the witness, a stenographic reporter, and the officer shall be present at the examination of the witness, which fact shall be certified by the officer, who shall propound the interrogatories and cross-interrogatories to the witness in their order and reduce the testimony to writing in the witness' own words.*

SEC. 1.IX (Rule IX). Trial examiner's report .- (a) Following any hearing before a trial examiner, except hearings in proceedings pursuant to the provisions of Clause 30 of Schedule A of the Securities Act of 1933, as amended,1 or Section 24 (b) of the Securities Exchange Act of 1934, as amended,3 or Section 22 (b) of the Public Utility Holding Company Act of 1935, the transcript of the testimony shall forthwith be filed with the Secretary of the Commission. Following any hearing before trial examiner in the excepted cases, the transcript of the testimony shall forthwith be filed with the Chairman of the Commission.

(b) Following any hearing before a trial examiner other than (1) a hearing under the Public Utility Holding Company Act of 1935, or (2) a hearing on the question of postponement of the effective date of registration of a broker or dealer under Section 15 (b) of the Securities Exchange Act of 1934, as amended,5 pending final determination whether such registration shall be denied, or (3) a hearing pursuant to the provisions of Clause 30 of Schedule A of the Securities Act of 1933, as amended, or Section 24 (b) of the Securities Exchange Act of 1934, as amended, the trial examiner shall, within ten days after service upon him by the Secretary or other duly designated officer of the Commission of a copy of the transcript of the testimony file with the Secretary of the Commission his report containing his findings of

(c) Such report shall be advisory only. and the findings of fact therein contained shall not be binding upon the Commission. The initial page of the report shall contain a statement to such effect. In any proceeding in which, under the provisions of Rule XIII (b) [Sec. 1.XIII] of the Rules of Practice of the Commission, the report is first to be made available to the public on the opening date of public argument on the merits before the Commission, or in the event of submission to the Commission without argument, on the date of such submission, the initial page of the report shall also contain a statement to the effect that the report is confidential, shall not be made public, and is for the use only of the Commission, the respondent or respondents, and counsel, but copies of the report issued on or after

Nore.-Footnotes at end of this article.

omit such statement.

(d) A copy of such report shall be forthwith served on each party and on counsel to the Commission by the Secretary or other duly designated officer of the Commission.

(e) Within five days after the conclusion of the hearing in any proceeding any party or counsel to the Commission may submit to the presiding officer, or. in the case of a hearing before a trial examiner in respect of which no trial examiner's report is required to be submitted, to the officer designated in paragraph (a) of this rule as the person with whom transcripts of testimony are to be filed, a statement in writing in terse outline setting forth such party's request for specific findings, which may be accompanied by a brief in support thereof. A copy of such request and brief in support thereof shall be served upon each party and upon counsel to the Commission as provided in Rule XIV [Sec. 1, XIV] in the case of a hearing before a trial examiner in respect of which no trial examiner's report is required to be submitted. A copy of such request and brief in support thereof shall be served upon each party and upon counsel to the Commission by the presiding officer in the case of a hearing in which a trial examiner's report is to be submitted in which event the trial examiner shall immediately certify the facts concerning such service, including the dates thereof to the Secretary of the Commission. In all cases where such requests and briefs in support thereof are served upon each party and upon counsel to the Commission by the trial examiner the provisions of Rule XIII (d) [Sec. 1. XIII] shall not be applicable. This paragraph shall not apply to any proceeding on the question of postponement of the effective date of registration of a broker or dealer under Section 15 (b) of the Securities Exchange Act of 1934, as amended," pending final determination whether such registration shall be denied.

(f) All requests for specific findings filed pursuant to paragraph (e) of this Rule shall be a part of the record.*

Sec. 1.X (Rule X). Exceptions.-(a) Within five days after receipt of a copy of the trial examiner's report, any party or counsel to the Commission may file exceptions to the findings of the trial examiner or to his failure to make findings, or to the admission or exclusion of evidence. A copy of such exceptions shall be forthwith served on each party and on counsel to the Commission by the Secretary or other duly designated officer of the Commission. Exceptions shall be argued only at the final hearing on the merits before the Commission.

(b) Objections to the findings of the trial examiner or to his failure to make findings not saved by exception filed pursuant to this rule will be deemed to have been abandoned and may be disregarded.

the time of the hearing for the purpose of taking evidence and included in the exceptions filed pursuant to this rule will be deemed to have been abandoned and may be disregarded."

SEC. 1.XI (Rule XI). Briefs .- (a) Any party to a proceeding or counsel to the Commission may file a brief in support of his contentions and exceptions within 15 days from the date of service on such party or on counsel to the Commission of a copy of the trial examiner's report. In a case where no trial examiner's report is to be filed and a request for specific findings is filed by a party to the proceeding or counsel to the Commission, any party to the proceeding or counsel to the Commission may file a brief in support of his contentions and exceptions within 15 days of the filing as provided in paragraph (e) of Rule IX (Sec. 1.IX) hereof by such party or counsel to the Commission of such request for specific findings, or within 15 days from the date of service on such party or on counsel to the Commission of a copy of such request for specific findings. In a case where no trial examiner's report is to be filed and where no request for specific findings is filed, any party to a proceeding or counsel to the Commission may file a brief in support of his contentions and exceptions within 15 days from the date when the transcript of testimony is filed with the Secretary or other duly designated officer of the Com-

(b) All briefs shall be confined to the particular matters in issue. Each exception or request for findings which is briefed shall be supported by a concise argument and by citation of such statutes, decisions and other authorities and by page references to such portions of the record, as may be relevant. If the exception relates to the admission or exclusion of evidence, the substance of the evidence admitted or excluded shall be set forth in the brief with appropriate references to the transcript. Reply briefs shall be confined to matters in original briefs of opposing parties. Reply briefs in proceedings held pursuant to the provision of Clause 30 of Schedule A of the Securities Act of 1933, as amended,3 or Section 24 (b) of the Securities Exchange Act of 1934, as amended,3 or Section 22 (b) of the Public Utility Holding Company Act of 1935,' will be received only by special permission of the Commission. Any scandalous or impertinent matter contained in any brief may be stricken on order of the Commission.

(c) Exceptions and, in cases where no trial examiner's report is to be filed, requests for specific findings not briefed in accordance with Rule XI [Sec. 1.XI] may be regarded by the Commission as

(d) All briefs, including briefs filed pursuant to Rule VI [Sec. 1.VI], containing more than 10 pages shall include an index and table of cases. The date Objections to the admission or exclusion of each brief must appear on its front

such opening date or submission may of evidence not saved by exception at cover or title page. If briefs are typewritten or mimeographed, 10 copies shall be filed; if printed, 20 copies, provided that only 7 copies of briefs in proceedings held pursuant to the provisions of Clause 30 of Schedule A of the Securities Act of 1933, as amended,3 or Section 24 (b) of the Securities Exchange Act of 1934, as amended," or Section 22 (b) of the Public Utility Holding Company Act of 1935, need be filed in any instance. No brief shall exceed 60 pages in length, except with the permission of the Commission.

(e) Copies of briefs shall be served by the Secretary or other duly designated officer of the Commission on the parties to the proceeding and on counsel to the Commission, and reply briefs may be filed within 5 days thereafter. Such reply briefs as are authorized by the Commission in proceedings held pursuant to the provisions of Clause 30 of Schedule A of the Securities Act of 1933, as amended,3 or Section 24 (b) of the Securities Exchange Act of 1934, as amended." or section 22 (b) of the Public Utility Holding Company Act of 1935, shall be filed within 5 days after such authorization.

(f) Briefs not filed on or before the time fixed in these rules will be received only upon special permission of the Com-

(g) Without regard to the foregoing provisions of this rule with respect to filing of briefs, in the event an application is submitted to the Commission for final determination pursuant to paragraph (e) of Rule X-UB2 (Sec. 10.X-UB21 under the Securities Exchange Act of 1934, as amended, or paragraph (c) of Rule U-22B-1 [Sec. 15.U-22B-1] under the Public Utility Holding Company Act of 1935, either party or counsel to the Commission may file a brief in support of his contentions within fifteen days from the time of such submission. In such proceeding, reply briefs will be received only upon special permission of the Commission.

(h) This rule shall not apply to any proceeding on the question of postponement of the effective date of registration of a broker or dealer under Section 15 (b) of the Securities Exchange Act of 1934, as amended," pending final determination whether such registration shall be denied and in any such proceeding neither any party nor counsel to the Commission shall be entitled to file a brief.*

SEC. 1.XII (Rule XII). Hearing before the Commission .- (a) Upon written request of any party or of counsel to the Commission, which must be made within the time provided for filing the original briefs or, in the case of a proceeding on the question of postponement of the effective date of registration of a broker or dealer under Section 15 (b) of the Securities Exchange Act of 1934, as amended.3 pending final determination whether such registration shall be denied, before the close of the hearing for the purpose of taking evidence, the matter will be

Note.-Footnotes at end of this article.

set down for oral argument before the | U-22B-1 [Sec. 15.U-22B-1]. The report | (b) of the Securities Exchange Act of Commission; provided that, except upon order of the Commission, neither any party nor counsel to the Commission will be permitted to make oral argument before the Commission on matters arising out of proceedings pursuant to the provisions of Clause 30 of Schedule A of the Securities Act of 1933, as amended, or Section 24 (b) of the Securities Exchange Act of 1934, as amended,3 or Section 22 (b) of the Public Utility Holding Company Act of 1935.

(b) In a case where no trial examiner's report is made, the Commission shall determine the matter on the moving papers, the transcript of the testimony and exhibits received at the hearing, requests for specific findings, if any, the briefs of the parties and counsel to the Commission, if any, and oral argument before the Commission, if any.

(c) The Commission, upon its own motion or upon application in writing by any party or counsel to the Commission for leave to adduce additional evidence which application shall show to the satisfaction of the Commission that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence at the hearing before the Commission or the trial examiner, may hear such additional evidence or may refer the proceeding to the trial examiner for the taking of such additional evidence.

(d) Any petition for rehearing by the Commission shall be filed within five days after issuance of the order complained of and shall clearly state the specific grounds and the specific matters upon which rehearing is sought."

SEC. 1.XIII (Rule XIII). Filing papers-docket-computation of time.-(a) All reports, exceptions, briefs, and other papers required to be filed with the Commission in any proceeding shall be filed with the Secretary, except that all papers containing data as to which confidential treatment is sought pursuant to Rules S-580 [Sec. 5.S-580], X-UB2 [Sec. 10.X-UB2) or U-22B-1 [Sec. 15.U-22B-1) of the Rules and Regulations of the Commission, together with applications making objection to the disclosure thereof, shall be filed with the Chairman. Any such papers may be sent by mail or express to the officer with whom they are directed to be filed, but must be received by such officer at the office of the Commission in Washington, D. C., within the time limit, if any, for such filing.

(b) All papers containing data as to which confidential treatment is sought pursuant to Rules S-580 [Sec. 5.S-580], X-UB2 [Sec. 10.X-UB2] or U-22B-1 [Sec. 15.U-22B-1] of the Rules and Regulations of the Commission, together with any application making objection to the disclosure thereof, or other papers relating in any way to such application, shall be made available to the public only in accordance with the applicable provisions of Rules S-580 (h) [Sec. 5.S-580], X-UB2 (i) [Sec. 10.X-UB2] or Act of 1933, as amended, or Section 24

of the trial examiner, exceptions thereto, requests for findings, and briefs in support of such requests or in support of or in opposition to such exceptions, which are filed in connection with any hearing pursuant to Section 15 (b) or Section 19 (a) (3) of the Securities Exchange Act of 1934, as amended,* shall first be made available to the public on the opening date of public argument on the merits before the Commission or in the event of submission to the Commission without argument upon the date of such submission.

(c) The Secretary shall maintain a docket of all proceedings, and each proceeding shall be assigned a number.

(d) Wherever under these Rules, unless otherwise expressly provided, any limitation is made as to the time within which any reports, exceptions, briefs, or other papers are required to be filed with the Commission in any proceeding, trial examiners and parties who are residents of the following states: Montana, Idaho, Wyoming, Colorado, New Mexico, Utah, Arizona, Nevada, Washington, Oregon and California, shall have an additional period of five days; and trial examiners and parties who reside beyond the confines of the continental United States shall have an additional period of twenty days within which to file such reports, exceptions, briefs, and other papers. For the purposes of this rule the person upon whom service is made by the Commission is the party whose residence shall determine whether the additional time provided herein shall be granted.

(e) In computing any period of time prescribed or allowed by these rules or by order of the Commission, the day of the act, event, or default after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Sunday or a legal holiday in the District of Columbia, in which event the period runs until the end of the next day which is neither a Sunday nor a holiday. Intermediate Sundays and holidays shall be included in the computation. A half-holiday shall be considered as other days and not as a holiday.

(f) Unless otherwise specifically provided in these rules, an original and eight copies of all papers shall be filed, unless the same be printed, in which case 20 copies shall be filed.*

SEC. 1.XIV (Rule XIV). Service of reports, exceptions, briefs, and other papers.-(a) All reports, exceptions, briefs, requests for specific findings, or other documents or papers required by these rules to be served on any party to a proceeding, or on counsel to the Commission, shall be served by the Secretary or other duly designated officer of the Commission, provided that such papers concerning applications for confidential treatment pursuant to the Provisions of Clause 30 of Schedule A of the Securities

1934, as amended, or Section 22 (b) of the Public Utility Holding Company Act of 1935, shall be served by the Chairman.

(b) Subject to the provisions of Rule III (a) [Sec. 1.III] hereof, such service, except on counsel to the Commission. shall be made by personal service on the party or his attorney of record or by registered mail addressed to the party or his attorney of record.*

SEC. 1.XV (Rule XV). Formal requirements as to papers filed in proceedings .-(a) All papers filed under these rules shall be typewritten, mimeographed, or printed, shall be plainly legible, shall be on one grade of good unglazed white paper approximately 8 inches wide and 101/2 inches long, with left-hand margin 11/2 inches wide, and shall be bound at the upper left-hand corner. They shall be double-spaced, except that quotations shall be single-spaced and indented. If printed, they shall be in either 10- or 12-point type with double-leaded text and single-leaded quotations.

(b) All papers must be signed in ink by the party filing the same, or his duly authorized agent or attorney, or counsel to the Commission, and must show the address of the signer.

(c) All papers filed must include at the head thereof, or on a title page, the name of the Commission, the names of the parties, and the subject of the particular paper or pleading, and the docket number assigned to the proceeding.*

SEC. 1.XVI (Rule XVI). Signature of Commission orders.-All orders of the Commission shall be signed by the Secretary or such other person as may be authorized by the Commission.*

Sec. 1.XVII (Rule XVII). Intervention,-Any person upon proper showing of sufficient interest in the subject matter may, upon application in writing to the Commission duly made, be allowed to intervene in any proceeding upon such terms and conditions as the Commission may prescribe.*

SEC. 1.XVIII (Rule XVIII). Consolidation .- By order of the Commission, or upon agreement between the parties and counsel to the Commission, proceedings involving a common question of law or fact may be joined for hearing of any or all the matters in issue in such proceedings and such proceedings may be consolidated; and the Commission may make such orders concerning the conduct of such proceedings as may tend to avoid unnecessary costs or delay."

Sec. 1.XIX (Rule XIX). Nonapplicability of rules to investigations.-These rules, other than Rule II [Sec. 1.II], shall not be applicable to investigations conducted by the Commission pursuant to Section 8 (e), 19 (b), and 20 (a) of the Securities Act of 1933, as amended," Sections 21 (a) and 21 (b) of the Securities Exchange Act of 1934, as amended," or Sections 11 (a), 13 (g), 18 (a), 18 (b),

Nore.-Footnotes at end of this article.

ing Company Act of 1935 "."

C 38, sec. 19, 48 Stat. 85; c. 404, sec. 209, 48 Stat. 908; 15 U. S. C. 77s; c. 404, sec. 23, 48 Stat. 901; c. 462, sec. 8, 49 Stat. 1379; 15 U. S. C., 78w and Sup. III; c. 687, sec. 20, 49 Stat. 833; 15 U. S. C., Sup. III, 79t. C. 38, sec. 8, 48 Stat. 79; 15 U. S. C. 77h.

¹ C. 38, schedule A, 48 Stat. 88; 15 U. S. C.

C. 404, sec. 24, 48 Stat. 901; 15 U. S. C.

78x.
 *C. 687, sec. 22, 49 Stat. 834; 15 U. S. C.,
Sup. III, 79v.
 *C. 404, sec. 15, 48 Stat. 895; c. 462, sec.
3, 49 Stat. 1377; 15 U. S. C., 78o and Sup.

III.

*C. 404, sec. 15, 48 Stat. 895; c. 462, sec. 3, 49 Stat. 1377; 15 U. S. C., 780 and Sup. III; c. 404, sec. 19, 48 Stat. 898; 15 U. S. C. 78s, *C. 38, sec. 8, 48 Stat. 79; 15 U. S. C. 77h: C. 38, sec. 19, 48 Stat. 85, c. 404, sec. 20, 48 Stat. 908; 15 U. S. C. 77s: C. 38, sec. 20, 48 Stat. 86; 15 U. S. C. 77t.

*C. 404, sec. 21, 48 Stat. 899; C. 462, sec. 7, 49 Stat. 1377; 15 U. S. C. 78u and Sup. III.

III.

*C. 687, sec. 11, 49 Stat. 820; 15 U. S. C., Sup. III, 79k; C. 687, sec. 13, 49 Stat. 825; 15 U. S. C., Sup. III, 79m; C. 687, sec. 18, 49 Stat. 831; 15 U. S. C., Sup. III, 79r; C. 687, sec. 30, 49 Stat. 837; 15 U. S. C., Sup. III,

By the Commission.

FRANCIS P. BRASSOR, [SEAL] Secretary.

(F. R. Doc. 38-1851; Filed, June 29, 1938; 1:01 p. m.

Notices

DEPARTMENT OF COMMERCE.

Bureau of Air Commerce.

SPECIAL AIR TRAFFIC RULE

NEW YORK WORLD'S FAIR GROUNDS, JUNE 30, 1938

Pursuant to Section 3 (e) of the Air Commerce Act of 1926, as amended, (44 Stat. 568), the following Special Air Traffic Rule is promulgated regarding the navigation or operation of aircraft over and in the vicinity of the New York World's Fair Grounds, New York City, between the hours of 10:00 A. M. and 5:00 P. M., on June 30, 1938, on which day the President of the United States will visit the Fair Grounds:

No aircraft shall be navigated or operated at any altitude above the New York World's Fair Grounds, or at any altitude above that area described by a line drawn horizontally one mile outside of and parallel to the exterior boundaries of such Fair Grounds, between the hours of 10:00 A. M. and 5:00 P. M., June 30, 1938, unless special permission for such flight has been granted by O. P. Harwood, Acting Supervising Inspector of rect subsidiary of NY PA NJ Utilities

18 (e) and 30 of the Public Utility Hold- the Bureau of Air Commerce stationed at | Company, Associated Gas and Electric Roosevelt Field, Long Island, New York. Approved, to take effect June 30, 1938.

> J. M. JOHNSON. Secretary of Commerce.

[F. R. Doc. 38-1848; Filed, June 28, 1938; 5:29 p. m.]

SECURITIES AND EXCHANGE COM-MISSION.

United States of America-Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 29th day of June, A. D. 1938.

(File No. 43-1301

IN THE MATTER OF BRADFORD ELECTRIC COMPANY

NOTICE OF AND ORDER FOR HEARING

A declaration pursuant to section 7 of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named party;

It is ordered. That a hearing on such matter be held on July 18, 1938, at 10:00 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing-room clerk in Room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered, That Robert P. Reeder or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to continue or postpone said hearing from time to time or to a date thereafter to be fixed by such presiding officer.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before July 13, 1938.

The matter concerned herewith is in regard to the filing of a declaration by Bradford Electric Company, a direct subsidiary of Keystone Utilities, Inc., a registered holding company, and an indi-

Corporation and Associated Gas and Electric Company, all registered holding companies, relating to the proposed issue of a promissory note or notes to mature in eleven months from the date of issue in an amount not to exceed \$450,000, the note or notes to be issued on or before August 2, 1938. The declarant states that the note or notes will be issued on the best obtainable terms in respect to rate of interest and are being issued by it to refund its now outstanding promissory note, bearing interest at the rate of 3%, dated September 2, 1937, and maturing August 2, 1938. The note sought to be refunded is in the face amount of \$450,000 and is payable to the Chase National Bank of the City of New York.

By the Commission.

[SEAL] FRANCIS P. BRASSOR. Secretary.

(P. R. Doc. 38-1857; Filed, June 29, 1938; 1:02 p. m.

United States of America-Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C. on the 27th day of June, 1938.

| File No. 1-1781

IN THE MATTER OF WELLS, FARGO & COM-PANY CAPITAL STOCK, \$1 PAR VALUE

ORDER POSTPONING HEARING

The New York Stock Exchange, pursuant to Section 12 (d) of the Securities Exchange Act of 1934, as amended, and Rule JD2 promulgated thereunder, having made application to the Commission to strike from listing and registration the Capital Stock, \$1 Par Value, of Wells, Fargo & Company; and

The Commission having ordered that the matter be set down for hearing on June 29, 1938, in Washington, D. C.; and

The issuer having requested a postponement of said hearing, to which request said Exchange has agreed;

It is ordered. That said hearing be postponed until 10 A. M., on Thursday, July 14, 1938, in Room 1103, 1778 Pennsylvania Avenue, N. W., Washington, D. C., and continue thereafter at such times and places as may be determined by the Commission or its officer presiding at said hearing.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 38-1856; Filed, June 29, 1938; 1:02 p. m.]

13 F. R. 1434 (DI).